China Weekly Review

密勒氏評論報

LEARNING FROM THE PEASANTS

"THE VOICE OF AMERICA"
SHANGHAI THEATER

NEW DIRECTION FOR SHANGHAI BUSINESS

EDITORIALS:

THE FIRST YEAR
LIBERATION OF CHOUSHAN

MAY 27, 1950

JMP 4,000

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LETTERS From The People

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NEW EDUCATION

To the Editor:

Whoever may have heard of or observed, and yet has not participated in, the education for reformation of intellectuals can hardly understand the quality of such education. This is the experience I have gained in a period of about two months.

Two months ago, I was still a student of a Christian college at Wuchang, where I was graduated from its middle school. During these years I kept only three things in mind: my family, my school lessons and my own future. Nevertheless, when liberation came I got an impetus from it and was changed mentally. I began to seek opportunities to go to Peking to visit the capital of my newly-born country and find a chance to study politics. Thus, when the school for cadres of the Ministry of Heavy Industry enrolled students at Wuchang, Shanghai and Peking simultaneously I, being a major in chemistry, took the entrance examination and was admitted.

Our new school is not at Peking but 20 kilometers from it, which is one hour's journey by train. When we arrived at this small town (Tung Shian) we were greatly disappointed to see that there was no auditorium, no study halls, no dining room and no furniture for the students' use and convenience in the school where we would have to stay for four months.

We ate millet, kaoliang and other cereals seldom used as staple foods in southern China. We slept on k'angs which, in comparison to our former beds, were no better than rocks. Grumbling and murmuring spread quickly. These subsided after the excellent speech given at the school's opening ceremony by our President Ho Cheng-kung, the Acting Minister of Heavy Industry, when he showed us the real nature and spirit of a new school. He is an old Communist. In the "Long March" he was wounded by a KMT bullet and was somewhat crippled. He has good experience in managing schools for reforming intellectuals and in his speech he was very happy to point out that he has sent thousands and thousands of cadres to political, military, diplomatic, economic and other circles. Now he will inject the new blood into heavy industry.

The chief aim of our school, as President Ho indicated, is to reform the intellectual of the old society through study of politics. So the main course is the "History of the Development of Society," which will enable us to see the inflexible laws governing social development.

The students are divided into small groups, each containing from 20 to 25 persons. They study, discuss, plan and live together and are united solidly by political understanding instead of emotions and sentiments. In a word, this kind of education has nothing in common with the old type. Furthermore, two things deserve special mention, which would seem strange and even unimaginable to me if I were not actually experiencing such education myself:

1) Physical labor—In compliance with and in cognizance of the study of the creation of human society and the world by labor, we should respect and love the laboring people. We have rented some acres of land to plant with vegetables, and from real work we see what an important and difficult part the peasants bear in society.

2) Criticism and self-criticism—This is commonly known as a weapon used by Communists for improvement and to prevent deterioration. I have begun to see the power of this weapon. When meetings for self-examination and mutual criticism are held, radical but beneficial suggestions for any error demonstrate that in loving a comrade we must hate and eradicate the defects that bind him.

I hope the students of all universities and schools may come to see how useful and indispensable is this new education. I would like to advise them all to accept the new education which, perhaps, is still misunderstood in many respects.

TANG CHIH-LIEN

Peking
May 5, 1950

"HSUEH HSI"

To the Editor:

I have just returned to Kaifeng from Changsha after one year and a half. Since its liberation in August 1949 most of the inhabitants of Changsha are eagerly studying the doctrines and works of Marx, Lenin, Stalin and Mao Tze-tung. Many are also beginning to study Russian. It almost seems as if they feel that they cannot live in the modern world without learning something of New Democracy, socialism and communism. This situation still continues. Before my departure from Changsha the bookstores, newstands, and libraries were daily crowded with people of all walks of life. Study groups in schools, stores, factories, cooperatives, banks, railway stations, postoffices and other public organizations were very active. Students, teachers, professors, workers, salesmen, clerks and public functionaries were learning and learning again.

Only a short time after my arrival in Kaifeng I discovered that the enthusiasm for learning here is as great and at as high a level as in Changsha; perhaps even greater. In Kaifeng, in addition, many "big classes" are frequently held.

At five o'clock on the evening of May 10 our Postal Service Learning Committee put out an announcement, which read: "Tomorrow morning at six o'clock a big class will be held in the People's Hall. All postal members belonging to the C Class of the study groups should attend punctually."

The next morning I hurried to the People's Hall. It was already full of people, all public functionaries—young and old, men and women. I had to go up to the third balcony to find a place. In all there were about 5,000 people present.

The teacher was a member of a committee of the Honan's People's Government. His subject was "The History of Social Advance." Every person had a notebook and a fountain pen or pencil, and listened carefully and diligently in order to catch the important points and note them down. The lesson lasted for three hours and at nine o'clock we returned to our offices. The chief of my study group said that we would discuss this lesson in our "hsueh hsi" hour the next day.

In Kaifeng, as well as in other cities, each public functionary must study for two hours every morning before starting work. During the KMT's regime almost all government functionaries were so interested in gambling that they often spent all their time outside of office hours gambling. Before 9:00 a.m. they would be asleep in bed, or many of them would still be gambling from the night before. What a striking contrast between the present and that time! If for no other reason I am sure there is hope for China and she will become prosperous in the near future.

CHANG SHU-CHI

Kaifeng
May 11, 1950

HAINAN LESSON

To the Editor:

With the liberation of Hainan, a little island of 14,000 square miles between the China Sea and the Gulf of Tongking, another population of 1,500,000 Chinese has joined the forces in the struggle for world peace. Once more it has been demonstrated that victory is always on the side of justice and often comes to us sooner than is expected.

(Continued on Page 234)

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Index May 27, 1950

Editorials

The First Year 218
Chousan Islands Liberated .. 219

Special Articles

Learning from the Peasants . 220
"Voice of America" 222
New Direction for Shanghai 223
Yellow River 225
Flood Control in North China 227

Features

Letters from the People 217
25 Years Ago 219
China Affairs 228
The Week's Business 229
Articles of Interest 231
International Affairs 232
English Lesson ..... Back Cover

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THE FIRST YEAR

ONE year ago today the last remaining pockets of KMT troops in Shanghai gave up and the entire city was liberated. We have now completed the first—and very eventful—year and it is both interesting and instructive to look back over the past 12 months.

The main impression we have at this point is that liberation seems a thing which took place long, long ago. Ordinarily a year seems a very short time and it often is difficult to realize that so much time has slipped by. We are all familiar with the expression, "It seems as if it were only yesterday." However, today, it seems to us as if the liberation was something which happened a number of years back.

This, we believe, is because we have seen so many changes. Certainly never before in the history of Shanghai have so many important developments taken place in a scant 12 months. Economically, politically, socially the changes have been many and great.

Sitting in Shanghai today it is difficult, for instance, to recall that only a year ago prices, exchange rates, commodity shortages, inflation and the like were constant subjects of conversation. Looking back it seems to us as if we spent half our time worrying about such matters, while we certainly devoted a substantial portion of each day to discussions aimed at devising ways and means of escaping or minimizing the crippling effects of inflation.

For nearly four post-war years we lived in a whirling chaotic Shanghai in which the US dollar was the only thing possessing even relative stability. Every day of those four years we, along with countless thousands of other Shanghailanders, must have uttered the words "US dollar" a dozen or more times. Today we have practically forgotten it, with days, or sometimes weeks going by without our bothering to look up its rate in the paper.

If, a year ago, someone had told us that within one year prices would remain virtually unchanged for weeks on end, that food and other commodities throughout the city would be universally quoted in Chinese currency, that the city's banks would have a record number of local currency deposits, that there would not be a rice shortage, a coal shortage, a power shortage, we would have thought them crazy.

A year ago we viewed the political "situation" with extreme suspicion and cynicism. Like the rest of the city, we lived on rumors and gossip. Each morning it would be reported that at a secret conference held the evening before Chiang Kai-shek and his trusted henchmen had decided upon some new scheme. Upon the basis of such a rumor, the local markets would fluctuate violently, people would actually leave town or prepare to return from Hongkong or some other refuge.

Political fortunes rose and fell from day to day as the battle of the cliques was fought out in Nanking. One day the "Generalissimo" was reported favoring the CC Clique, the next as having agreed to the appointment of a member of the Political Science Clique to the premiership, while on the following day it was rumored that he had decided to recall T. V. Soong to power. Nothing was certain, the "situation" was always fluid.

It is with a shock that we realize—after only one year—that we have all but forgotten the names of most of the various KMT big-wigs who pranced back and forth across the political stage with such tiresome regularity for some two decades.

A year ago we could not conceive of a situation whereby the administration of China would be in the hands of men—and women—really selected by a representative assembly of people of all walks of life. Nor would we have been able to visualize such a government remaining unchanged for an entire year without even a "rumor" of an impending cabinet reshuffle. Even more, we would have been unable to believe that such an administration would govern the country strictly in accordance with a set of laws and regulations openly published and available for all to read and study.

A year ago we were accustomed—in addition to the sickening sidewalk executions—to daily threats issued by officialdom, warning of dire consequences for any of the citizenry, especially workers and students, if they attempted to hold parades or other mass demonstrations. The people, the government "explained," must rely upon the government, which was all seeing and which knew what was best for the country. Any attempt upon the part of the people to indicate a contrary opinion was viewed with extreme suspicion and all expressions critical of what were then "normal" conditions was termed "bandit" propaganda. Holders of "dangerous" thoughts were in constant danger of death, frequently by torture at the hands of the secret police.

Certainly in our wildest dreams we could not have imagined the sight of tens of thousands—sometimes hundreds of thousands—of workers, students, white collar employees, housewives and others enthusiastically parading through the city's streets. Our acquired reaction—a year ago—if we saw any signs of a public demonstration was to seek shelter because there was certain to be trouble, perhaps even a riot, with club-swinging mounted police, soldiers with bayonets, armored cars, ambulances and so on.

Times have indeed changed, so much so, that unless we stop and think about it a while, we

find it difficult to remember just what life was like in pre-liberation days. The past year, the many events of which have so effectively dulled our memory of what went before, is, moreover, only the beginning. It was only the first year.

CHOUSHAN ISLANDS LIBERATED

WITH the liberation of the Choushan islands last week the end of the KMT blockade of Shanghai and adjacent areas of the China coast was in sight. While it is still theoretically possible for the KMT to interfere with shipping to and from Shanghai, the port is, for all practical purposes, open.

The distance by sea between Shanghai and the northernmost tip of Taiwan is something over 400 miles, thus making it next to impossible for the KMT to station any regular or effective blockading force at the mouth of the Yangtze. What's more, it is our guess that the KMT before long will have much more urgent need elsewhere for its remaining naval forces.

The PLA occupation of the Choushan Archipelago also means the loss to the KMT of a base from which it formerly launched indiscriminate bombing raids upon Shanghai and environs. However, the effectiveness of such raids—never great from a military standpoint—has been dropping steadily in recent months because of the efficiency of local air defenses.

The effects upon Shanghai of the liberation of the Choushan islands were immediate. Local shipping lines hurried preparations for resumption of service to Tientsin in the north and to other cities, such as Ningpo, in the south. Communications with the islands have already been reestablished. The price of fish on the local market, for instance, tumbled when it was learned that fishing fleets from Shanghai and the islands were already preparing to go to sea.

Shanghai's economy, which has been suffering extensively from the effects of the nearly year-long blockade, is getting a welcome shot in the arm.

Unfortunately the liberation of the islands did not bring entirely happy news. Once again the KMT repeated its old practice of destroying as many people and as much property as possible before fleeing. A substantial number of islanders—exact figures are not yet available—were shot and bayonetted when they resisted deportation to Taiwan as members of conscript slave labor gangs. More mutilated bodies are reported being turned up with each passing day.

Chiang always prefaces KMT defeats by statements that "we" will fight to the death. However, once again he and his gang have demonstrated that what such statements really mean is that when, deserted by the people and faced with defeat, they take their "revenge" upon the people by killing as many unarmed civilians as possible before fleeing.

However, the people of China will soon put an end to such performances. Only Taiwan remains and it should be liberated shortly. The "killing and running routine" of Chiang and his fellow criminals is about over.

25 Years Ago In *The China Weekly Review*

Popular Education Movement

May 23, 1925

Mr. James Yen, a student of a West China mission school and afterwards a graduate of Yale, has started the Popular Education Movement. The Chinese language takes from three to four times as long to learn as English and one of the problems of this country is to make the masses literate. At present out of every 10, nine cannot read or write. Recently under this leadership some Chinese educators have gotten together and worked out "One Thousand Foundation Characters." Now Mr. Yen is conducting campaigns in different cities with large enrollments of illiterates, teaching them in four or five months the "Popular Thousand Character Lessons," enabling them to read and write simple letters, to keep accounts, and to read simple newspapers intelligently. Classes are also taught the meaning of the national flag, to sing the national anthem, and are given lectures on health, morals, citizenship and religion.

From "America's Influence on Education in China" by Helen McCracken

Manchuria's Sheep

One-fifth of the total number of sheep in the world, approximately 27,000,000 head, are found on the high fertile steppes of western Manchuria and Inner Mongolia. This represents considerably more than one-half of the total number of sheep in all China and Turkestan, and the buying and selling of sheep, the exportation of mutton and wool both to China and abroad forms one of the most lucrative industries of that large territory north of the Great Wall. . . .

A great impetus was given to the sheep industry during the Great War because frozen mutton in large quantities was shipped to the fighting armies, while sheepskins were used as a protection from cold in the trenches. Prices advanced at a rapid rate and for the first time Manchurian sheep appeared on the markets of the world.

From "Manchuria's Golden Fleece" by Philip Kerby

10 Years Ago In *The China Weekly Review*

Dark Days for Europe

May 25, 1940

With bated breath an anxious world is watching the further development of the European war, for the fate of the Allied cause seems to be hanging perilously in the balance. Holland is completely in German hands, likewise most of Belgium. Hitler's powerful army divisions, moving at lightning pace on steeds of steel, have driven through northern France to Abbeville, at the estuary of the Somme River on the coast of Flanders, and from that point are only 70 miles distant from Hastings on the southeast coast of England. Allied forces said to total 1,000,000 men are cut off from the main armies and isolated in northern France and southern Belgium. Supporting themselves on the powerful right wing which their drive to France's northern coast has established, Nazi forces are operating in the rear of France's Maginot Line and driving steadily in the direction of Paris.

It seems that only a miracle can save France from being completely overrun by Hitler's terrifying war machine, and then, presumably England's turn would come.

Attempt to Deport Labor Leader

Harry Bridges, Australian-born labor leader and organizer of maritime strikes on the US West Coast, may be deported from the United States, according to a United Press report from Washington on May 16. The House Immigration Committee recommended that a special bill be passed covering Bridges' deportation. Congressman Leonard Allen (Democrat from Louisiana) author of the bill, charged that Bridges was a Communist, hence should be deported. Bridges was tried by the federal government last year on a charge of being a foreign Communist, but the case was dismissed for lack of definite proof that he was receiving orders from Moscow.

Learning from the Peasants

A student of Tsing Hua University, through participation in village land reform, learns the real nature of the landlord class from poor peasants.

WHEN I decided to take part in land reform work, my intention was to serve the peasants and to educate them. However, each day that I stayed in the village I came to think less of what I ought to do for the peasants and more of how much I had to learn from them.

Before going to the village we had studied the history of the laws governing social development in school. We all acknowledged the dignity of labor and realized the important role of working people in the course of human history. Theoretically, therefore, we did not look down upon the peasants, but on the contrary were determined to serve them in spite of their many seeming defects. Some professors, however, held an opinion entirely different from ours. They said that the chief reason for participating in land reform work was to learn from the poor peasants. I could not agree with this point of view. What, I questioned in my mind, could college students and professors learn from poor illiterate peasants?

Plans Laid Out

Our work team, consisting of 10 students and one district cadre, arrived at Yanshan Village, which is somewhat over six miles from Peking city, on January 27. That evening we held a meeting to discuss the schedule of our work. The first thing to do, we all agreed, was to call a plenary assembly including all classes of people in the village and explain to this gathering the government's land policy. Next, we decided, we should organize an agrarian society for the poor peasants, through which they might be taught to develop their class consciousness. After this we would be able to divide them into small groups and begin the task of separating the landlords and rich peasants from the rest of the community. However, before we could even start such a program, we had to make ourselves thoroughly acquainted with the economic and political conditions of the village.

Comrade Wang, the old district cadre, told us that the best way to familiarize ourselves with the basic conditions of the place was to visit the poorest peasants and talk with them. In such conversations we would be able to draw out some of the facts we needed. So we followed his advice. We called on some very poor peasants and spoke to them somewhat condescendingly. Our efforts were utterly futile. They all opened their eyes wide and stared at us curiously though timidly, but would say nothing. When we asked them who were the bad people in the village, the peasants looked at each other, shook their heads, and gave evasive answers. We felt terribly discouraged and wondered how we could ever begin our work.

In contrast, when Comrade Wang came back from his talks with some other poor peasants he was full of information. He already knew approximately the number of landlords and rich farmers in the village and had made a list of the names of those who had a subversive influence. Among these were *I-kuan-tao's* (leaders of a superstitious society preaching so-called Taoist doctrines who, in fact, are not far-removed from witch doctors) and ex-servicemen of the Kuomintang army.

Comrade Wang then asked us what information we had got, and we shamefacedly told him our story.

When Comrade Wang heard how we had failed he pointed out to us that we still retained a sense of superiority over the poor peasants. When we spoke to them, he commented, we always, though unconsciously, adopted a commanding manner. Because of this the poor peasants were afraid of us. This was a revelation to us. We began to realize that to mingle with the masses was by no means an easy task. Though we all desired very much to be close to the peasants, yet in actuality we had isolated ourselves from them by our supercilious manner and ill-disguised pride.

We now began to understand that unless we could rid ourselves of our sense of superiority as educated persons we could never achieve a close contact with the masses.

The poor peasants of the village ate only two meals a day. During the first two weeks of our stay in the village we ate our meals in their homes and could not but be struck by their extreme poverty. Most of them ate nothing but sweet potatoes, and some of them even ate bran with pickled vegetables. Yet, whenever we ate in their homes they served us the best food they could afford. And when we tried to express our gratitude for their kindness to us, they replied with feeling: "Oh, don't mention it. Didn't you come here to help us start land reform work? If we can hold the landlords to account and take from them their unearned portions of land, we shall all be happy and lead a good life. It's we who should thank you."

Sometimes, we would not eat the skin of the sweet potatoes. When the poor peasants saw this their eyes would linger hungrily on the skin we had left as though we were throwing away something most precious. Once an old peasant told me that even when there was a famine they were forced to pay the same rent and land tax as in ordinary years. At such times they could not afford to eat husks even and would be forced to gulp down weeds and grass to keep themselves alive. When the famine period was over they would eat bran and pickled vegetables as if they were the greatest delicacy.

Shanghai Complaints

What I saw of the hardships of the poor peasants moved me exceedingly. A few weeks before going to the village I had received a letter from my family telling me of the poor business of our Shanghai shop. They told me they were forced to pay taxes to the full and buy many victory bonds. They were, as a result, leading a hand-to-mouth existence. This news, at that time, depressed me greatly. But now I see the hardships of my family cannot bear any comparison with the destitution and sufferings of the poor peasants. Many people in Shanghai groan because they can no longer afford meat for their meals and think life has become hard. It is impossible for any of them to imagine the conditions under which poor peasants have lived most of their lives, living on bran and husks.

Gradually I came to appreciate that the present government policy in regard to commerce and industry is fair and just. The taxes which my family has to pay and the bonds they buy are only a proper means for reducing the burden of the poor

Telling of Grievances — by Yen Hanau

peasants. As a result, not only has my depression vanished, but I have also written to my family, telling them what I have learned and pointing out the necessity and reasonableness for the pushing of such a policy by the government at present.

* * *

ONCE we had segregated the landlords and rich peasants from the other villagers, the next step was to carry out the confiscation of landlords' houses. One landlord, who was an *I-kuan-tao*, used to go to the neighboring villages to spread rumors and cheat the poor peasants. By teaching them superstitious doctrines he swindled them out of their scanty savings. In his own village he had so oppressed and exploited the poor that they would all gladly have eaten him without salt.

It was decided by the people that his three good houses should be confiscated, leaving him only a leaky hut. When the landlord's family heard the news, they wept bitterly and complained that the people had wronged them, for their "master" had never been an *I-kuan-tao*, nor had he ever exploited his tenants. The landlord's wife, an artful old woman, knelt down before one of my classmates, and begged him to put in a kind word for the family to the people. "My husband should not be listed among the landlords," she urged. "However, if the masses persist in sticking to their prejudiced conclusions, at least they ought to assign us a decent house."

Ignorant of the evil ways and subversive influence of this landlord before liberation, we began to think that the peasants might be treating him too harshly. It is clearly stated in the land reform law that in the course of land reform every landlord should still be allowed to retain a piece of property equal to that of a middle-peasant. Now the people had only allotted this man a leaky hut. This was certainly too extreme. But before we could give expression to our doubts, a young peasant jumped to his feet and shouted at the landlord in fury:

"Heh! How dare you lie! Last year you told me that you would stamp out the epidemic for us and took away 45 pounds of millet from me to pay for the cost of such work. And now you say you were not an *I-kuan-tao!*"

"Two years ago," another middle-aged, sallow complexioned peasant interjected, "I hired from you half an acre of land. You took away from me two piculs of millet and still pressed me to pay the land-tax besides. In what anguish I begged you to let me off! I told you that my son was sick, my wife was in confinement and the family had nothing to eat! I knelt before you and cried for your mercy. But what was your answer? You only gave me a kick and cursed me, saying that we 'god-damn peasants' deserved no pity. Then you sent a sheriff to scare me, and took away all my land by force. From that time I had to work for you as a farm laborer, and earned next to nothing. Our daily food was nothing but husks and even now we are still living on husks."

"Today," he continued, "under the leadership of the Communist Party we are liberated and can start land reform. Just look how lenient the government policy is toward you! In spite of all your evil deeds in the past, we still leave you some land, farm implements and a place to live in. Now you complain because the house alloted to you leaks! Have you ever given a thought to the fact that my family has had to live in a ruined kiln, with no roof at all, for 20 long years? You still have money, and with money you can soon patch up your house. If you have the courage to reform and live by your own labor you can still lead a comfortable and happy life. What are you weeping and crying about?"

Every poor peasant had a bitter story to tell. When one came to the most heart-breaking part of his story, he sobbed and others shed tears in sympathy.

The bitterness of these stories and the impassioned way in which they were told stunned me until my head began to reel. In our classes at school we had grasped thoroughly, or at least thought we had, that land reform is a form of class struggle. We had all promised that when the time came we would liquidate the feudalistic landlord class completely. Yet now, at the very beginning of our work we had been easily duped by the lies of this landlord and would have yielded quickly to his sham tears!

Now we came to understand because we students are from the petty bourgeois class and have not experienced the real sufferings of the oppressed and exploited, we are lacking in true class consciousness. Hence, when put to an actual test we could not hold a firm proletarian stand. Bourgeois feelings of pity and sympathy for the landlord easily biased our judgment. This experience was a lesson to us. We discovered the unscrupulousness of the feudalistic landlord class, our weakness as bourgeois intellectuals and the genuine feeling of the poor peasants. We saw the tears of the peasants sprang from the real sorrows in their hearts; their straight-forward speech was an expression of their hard life.

From then on we all regarded the landlords as our enemy. If a similar occasion arose we would say sternly to the landlord: "The people can never wrong you. The decision of the majority must be just. If you have any complaint, make it before the masses!" When the landlords heard this they knew that their artful schemes would not work, and they gradually abandoned them.

— *H. Y. SHIH*

South China Smugglers Still Active

Although changes in Canton since liberation have greatly reduced largescale smuggling, small-scale smugglers continue their activities along the Canton-Shumchun Railway unabated. Describing these petty smugglers as "sales agents for imperialism" and abettors of "unscrupulous merchants in the flight of capital" an article in the Shanghai Ta Kung Pao of May 12 stresses the seriousness of this leakage in revenue and recounts the measures being taken to combat this yet another evil legacy of the Kuomintang regime.

* * *

DURING the month of March a total of 469 smuggling cases were reported by the Canton Customs, 262 of which occurred on railways. Of the average 40,000 persons who traveled in and out of Canton during March, 60 percent were smuggling goods between Canton and Hongkong. The contraband is varied — wrist watches, fountain pens, cigarettes, sea products, fresh fruits, reactionary papers, on the inward trip, and electric fans, light bulbs, scissors, etc. on the return journey.

To combat this type of smuggling the Canton Customs have adopted mobile strategy which, in turn, has resulted in more and more crafty methods of smuggling. For instance, one passenger carried a tin of vaseline, for which he held a tax-paid receipt, stating value, quality, weight and quantity correctly. However, close examination revealed that only the center of the tin contained vaseline, in a round tube, the rest of the space was filled with seven rolls of cigarette paper.

Many smugglers evade customs inspectors by boarding and leaving trains at intermediate stations, or more frequently throwing goods down to someone hiding by the side of the track.

In the month of March the customs seized over 10,000 *catties* of smuggled salt. During the same month a total of 19.64 kilograms of opium and over 23,000 packages of cigarettes were taken from smugglers on the waterways.

The trouble is that Canton, the economic nerve center of south China, is so conveniently near to Hongkong and Macao as to be extremely attractive to smugglers. Further, under the KMT much encouragement and protection was afforded smugglers, and the Kwangtung Provincial Tax Bureau estimates that even now 1,500,000 of the province's population is dependent on smuggling and as many as 10,000 people are employed in smuggling along the railway.

The Canton Tax Bureau is working closely with the customs in the anti-smuggling campaign, with the result that fines and make-up payments of taxes rose to JMP 1,120,000,000 in March.

Only a few of the smugglers have taken up the activity through necessity, the majority engage in the illegal trade for its high profits. Towards this latter type of smuggler the People's Government will show no clemency. The plugging up of "this leak in customs revenue depends on the concerted efforts of the broad masses of the people and anti-smuggling agencies."

A new Shanghai play

"The Voice of America"

GOOD theater is not only good entertainment but, as in the case of "The Voice of America" now playing in Shanghai, it is a medium of education. For Shanghai audiences, brought up to a great extent on Hollywood's bill of fare, a look at America and Americans from a political viewpoint is something new and an education in itself. The audience is given good opportunity to view some of the more prevalent trends in America today, seen in the hounding of the hero by the House Un-American Activities Committee. "The Voice of America" is an attempt to overcome various notions in the minds of its audience, long subjected to American exports both physical and spiritual.

The play, written by the Soviet playright Boris Lavrenev deals with the contemporary American scene in terms of its main character, an American army captain, who returns from Germany. The chief point is to show how this American, a great hero in the Allied war against Hitler Germany, is forced by political realities to realize the fascist path America is treading at home and abroad and at the end he himself joins in the movement against it.

* * *

AT the beginning of the play the captain is portrayed as an American without any definite political understanding but who likes to think of his country in terms of democracy, law and freedom of a past era.

Using America's preoccupation with the idea of a war with the Soviet Union as the theme which first gets the captain into a conflict with the authorities, the first act, which takes place during the early occupation of Germany, witnesses a tub-thumping speech by a visiting US senator who addresses the small group of heroes waiting to go home. The captain, who had been laboring under the illusion that America and the USSR were wartime allies, is rather sharply awakened to the fact that people such as the senator are bent on playing the line of an early settlement of accounts to prevent the spread of communism.

The other three acts take place in America where the captain again meets the senator and, as a result of his open disapproval of the senator's ideas on America's role in the world, he is called before the House Un-American Affairs Committee. Despite his growing uneasiness over the state of affairs in America the captain still takes the matter lightly. Believing he is a national hero as well as convinced of American democracy and law, the captain is confident regarding any bout with the Committee.

The scene which takes place in Washington in the office of a member of the Committee is where the captain is rudely shaken loose from his fancy of being able to reason with his persecutors. Facing a barrage of questions, some of which are no more ridiculous than the recent reports from America about Senator McCarthy's antics, the captain is accused of being everything from a member of the Communist Party to a traitor to his country.

Two of the more important characters in the play are the captain's wife and one of the members of his former outfit overseas. The latter, who eventually turns out to be a Communist, is pictured as one who is trying to interpret the situation in America. He implores the captain not to take the circumstances too lightly. However, the main point of the play is not that the Communist talks the captain into changing his ideas but rather that it is the very trend of the times in America which finally makes the captain politically conscious.

* * *

"THE Voice of America" is the second play in the past year in Shanghai which attempts to portray foreigners. Last summer there was a performance of "Roar China," a play based on an actual occurrence at Wanhsien, on the Yangtze River, While it is close to impossible for Chinese to act exactly like Americans, just as it is impossible for Americans to act exactly like Chinese, it can be said that the make-up and action in "The Voice" on the whole are more realistic than was the case of "Roar China." Sticklers for perfection can find flaws along this line in the play but, from this point of view, the essential thing is that the characters on the stage are not Chinese.

With news in America about China being what it is today, it perhaps is necessary to explain that the troupe putting on the play, the *Tung Fang Hung Theatrical Group* (東方紅劇團) is a private and not a government organization.

* * *

THE group was formed about the time of the Chinese Lunar New Year, in February, and this is the third play they have put on. That their talents are varied is testified to by the fact that their previous play was a modern version of a Chinese classic, Yeh Chu Lin (野豬林). From an economic point of view the group is on a cooperative basis with each member getting a certain amount of parity units if there are profits to be divided up. If profits are not sufficient for this policy to be carried out then each member receives an equal amount of money to pay for two meals and his carfare each day. Needless to say, the glamor and wealth constantly identified with the theatrical world does not exist here.

In their two week rehearsal period the actors received no pay, since at the time there were no receipts to be divided. In view of the fact that they have to be acting in order to eat, it is small wonder that rehearsal periods cannot be of great length. This makes their present accomplishment in putting on a play of this nature even more praiseworthy. However, it must also be acknowledged that particularly in a play of this nature, where foreigners are portrayed, this unavoidable short rehearsal period is largely instrumental in the actors not being able to completely act like Americans.

The rehearsal period for "The Voice of America" makes for interesting background not only in the sense of how the play was made but serves to manifest the meaning of democratic action. Following a little more than a week of rehearsal, a special performance was given. This was attended by several movie and theater directors, and friends of the director. Following the conclusion of this showing, a meeting was held to discuss ways and means of improving the play.

Once again, particularly for Americans filled up on "news" about China it should be pointed out that one of the immediate criticisms of this first showing was that although the play had been written by a Soviet author it was in need of some changes. The reason simply was that some of the ideas and instances in the play, while understandable to a Soviet audience, would not necessarily carry much weight with a Chinese audience.

Other criticisms and suggestions were offered, such as the need for the actor playing the part of the Communist to be more firm. It was also suggested that the villains should not be made too ridiculous or else the effect on the audience would be lost. For the Shanghai audience which has seen a constant stream of American "tough guy" pictures it was deemed quite important to portray people such as the senator, the member of the House Un-American Affairs Committee, and a gunman as something to be taken seriously. It is interesting to note that the most realistic portrayals are those of the play's villains. In view of Chinese reaction to America's position in the cold war and continued aid to the Kuomintang it is not too strange that the actors find villainy not difficult to portray.

Following this meeting, in the time that remained before the opening of the play, attempts were made to make necessary changes once they had been agreed upon. One of the main criticisms has been the unwieldy language used in the play as a result of its translation from the Russian. Much has been changed from the original Chinese script but still more could be done if many of the ideas in the play are to have any great meaning for people aside from the intellectuals.

* * *

FOREIGNERS in China, by and large, have always ignored the Chinese theater. However, as was the case with "Roar China" last summer which was labelled "anti-foreign," it is not difficult to envision the charge of "anti-American" being leveled at "The Voice of America." This is as far from the intention of the play as it could be. The whole point of the play is that the hope of America is in its people and their efforts to get rid of those in America today who are truly anti-American.

— *JULIAN SCHUMAN*

New Direction for Shanghai Business

Liberation brought an end to the city's irrational economy. Writer sees "difficulties" as temporary and predicts early recovery as nation's overall economy expands.

SHORTLY after the end of the war against Japan, I returned to Shanghai from Chungking, the wartime capital. When I left Chungking I was filled with hope for the future. However, I was not long in Shanghai before I began to feel that the future might not be so bright. It then seemed to me that the city was badly out of step with the times, that despite the end of extraterritoriality Shanghai was still far from a Chinese city.

Instead of producing for the people of China, it continued as a haven for the rich, a paradise for adventurers, both foreign and Chinese. Life in Shanghai seemed to me to be totally unreal. In my first post-war article for the *Review* (September 28, 1946) I expressed some of my impressions and observations.

> Shanghai is typically a city of contrasts where the contrast between the rich and the poor is most pronounced. Look at the rich man and see what kind of life he is leading. He freely spends several millions of dollars for a wedding, the celebration of a birthday or the birth of a child. And look at the front doors of some big buildings and see the poor, the weak, the sick, the aged, the crippled, the unemployed and the refugee . . .
>
> Therefore, my first impression is that Shanghai is only a place for the rich and the powerful, and has no place for the common man.
>
> Secondly, I find Shanghai leads all other cities in China where our production remains on the 17th or 18th century level, and yet, our consumption is 100 percent of the 20th century type. As a result, Shanghai is only an empty shell. The many banking institutions here must not be taken to indicate the industrial development and economic prosperity of Shanghai.
>
> Thirdly, I find Shanghai has only the old capitalism, bureaucratic capitalism and the capitalism of private monopoly and special privileges . . .
>
> . . . There are two choices before Shanghai: to adapt the new or die with the old. Shanghai must wake up and decide its own destiny. Shanghai must not go backward but look forward to welcome the "century of the common man."

Many Complaints

Today, I hear many complaints from some Shanghailanders, such as "economic difficulties," "no business" and "too heavy taxes." However, I do not believe that there is any occasion for pessimism. Under the policy of new democracy and the constructive, progressive administration of the people's government, Shanghai has been called upon *to change*, economically as well as socially.

Shanghai was one of the first five ports opened to foreign trade by the Manchu Dynasty. After a century of development, the city accounted for between one-third and one-half of the nation's industrial production. However, it still remained a basically non-productive city, a haven for adventurers, manipulators and speculators, while mentally it was bankrupt.

The main defect in the old days was the colonial nature of the industrial setup. Fundamentally, Shanghai was dependent upon foreign raw materials and foreign markets. In addition, most of the industrial plant consisted of light industry, with a sprinkling of semi-heavy industry. There was an extreme scarcity of plants for the manufacture of machine tools.

Indicative of the colonial nature of the city's industry was the fact that it was largely set up and geared to produce for foreign markets—using imported foreign raw materials—rather than for the domestic market. Its textile industry was a prime example. Instead of producing the quality and type of cloth and yarn mainly required locally, it manufactured products which were in demand in other countries and by the city's elite. Likewise, its cotton spindles were set to handle imported, high grade cotton, rather than lower quality native cotton.

Short-sighted Policy

A large number of the city's industrialists were unable to see beyond the boundaries of the city. Their production was geared to the Shanghai market, and to some extent, Southseas markets. Few if any Shanghai industries made serious attempts to produce goods for the mass of the country's peasants. Of course, the industrialists cannot be held entirely to blame for this attitude, since the country's impoverished peasants have never constituted too great a market. The real opening of the rural market could only come with land reform.

However, the fact remains that the vast majority of the city's industrialists were possessed of the "Shanghai mind" and gave little thought to ways and means of developing a rural outlet for their goods. They preferred to stick to the known and tried market. Since the city presented a limited field, there was not much opportunity for expansion. Profits could not—as was the case in the developing bourgeois economies in the West—be reinvested in relatively unlimited expansion of the industrial plant.

Other outlets rather than industry had to be found. The super-abundance of skyscraper hotels, luxurious private clubs, restaurants, ball rooms and amusement halls of various sorts are standing monuments to the local industrialists' inability to find productive outlets for their surplus capital. More and more the profits of industry went into commercial and service "industries."

Naturally such an irrational development could take place only in an irrational economy. One has only to stop a moment to realize the artificial nature of an economy in which industry, after reaching a certain level, ceased to grow appreciably, while all "growth" was transferred to non-productive fields. In a normal economic situation, such a development would have been impossible. Why, then, was such a situation possible in Shanghai?

There are of course many reasons, some of which, such as the colonial nature of the city, we have already touched upon. However, one of the chief factors making for such a development was the fact that Shanghai exacted tribute from the entire country. As political and economic conditions deteriorated throughout the interior, literally thousands of wealthy refugees flocked to the city. Landlords, merchants, out-of-favor militarists and petty criminals rushed to Shanghai. Needless to say, the majority brought with them what wealth they could in the form of gold, silver, foreign currency or even commodities. The wholesale influx of these "upper class" refugees created an ever sharpening demand for high-priced real estate, good restaurants, etc.

What's more, because of the fact that for years Shanghai offered one of the few areas of relative stability in the country, many KMT military and civil big shots regularly banked a portion of their profits here. Many maintained permanent residences and personal establishments in the city. In the old days, a man in political favor today, might have to run for his neck tomorrow. Thus, the first act of many an official upon obtaining position and wealth was to salt away a portion in a "safe" spot such as Shanghai.

As the KMT machine began to fall apart throughout the country, the rush of wealth and the wealthy to Shanghai was intensified. In addition, more and more foreign aid was pumped into the city in order to enable the KMT to keep the lid on this place. Virtually ever since the end of the war with Japan, the United States shouldered a portion of the burden of feeding and financing Shanghai. This was part of its contribution to the KMT's war effort against the Communists, and was carried out under a variety of names, including UNRRA, the China Relief Mission and, finally, ECA.

* * *

The Bubble Burst

WITH liberation the bubble burst and the chaos and confusion that characterized the city's economy was starkly revealed. Immediately prior to liberation tremendous quantities of wealth were shipped to other cities, either in the "rear" or to foreign points such as Manila or Hongkong. With liberation came an end to the steady flow of "tribute" from the interior. The city was on its own and it found that the going was exceedingly difficult.

Almost overnight the whole parasitical class of luxury-living KMT camp followers disappeared. Within a few weeks, the city's skyscraper hotels such as the Park, Cathay, Metropole, etc. began to have empty rooms for the first time since VJ Day. The plush restaurants began to notice the absence of wealthy clientele who formerly kept the kitchens busy from morning to night. The dance halls, the brothels, the jewelry stores and so on found that the vast majority of

their free-spending customers had apparently departed with the KMT.

Business at Standstill

Naturally tens of thousands of the city's residents who formerly lived by serving the wealthy landlord-bureaucrat-militarist hierarchy which made up the KMT found themselves out of work. Even the city's basic industry also faced difficulties. Dependent upon imported raw materials and geared to a production formula which bore little relation to the needs of the mass of the people, many a factory came to a standstill.

Commercial circles also felt the pinch. With the end of inflation a large portion of the city's "businessmen" found that they no longer had any business. Formerly almost the entire population, from factory worker to foreign taipan engaged in speculation, hoarding and hedging against inflation in one form or another. While before it had been possible to sell almost anything because the public frantically tried to get rid of paper money before it depreciated, the people now began to buy only what they actually needed. In addition, the mass unemployment of those in service industries was reflected in a sharp decline in purchasing power throughout the city.

Factory and commercial houses generally found themselves over-extended. Many an industrial or business concern which in the past operated on capital borrowed at astronomical interest rates, found that the slowing down—and eventual end—of inflation meant that they were saddled with hopeless debts. Previously it mattered little how much you borrowed or at what rates since prices inevitably kept a jump ahead of interest charges. With the end of the inflationary spiral and the beginning of a dull market interest charges became increasingly heavy. Many a Shanghai firm collapsed because its proprietors, grown cynical under the KMT, believed that the post-liberation stability was a passing thing and that hoarding commodities and borrowing money would eventually pay off as in the past. A survey made by 20 local guilds in November, 1949 revealed that a large percentage of those firms facing "difficulties" were in trouble because they had borrowed up to as high as 50 percent of their capital.

Thus liberation presented a challenge to the city. If it was not to sink into utter chaos, it would have to change. The new authorities were prompt in analyzing the basic difficulties and in pointing out the road to salvation. Shanghai would have to change from a semi-colonial city dependent upon imported raw materials and foreign markets to an independent city with its industry integrated into the economy of the Chinese countryside. It would have to change from a city of consumption to a city of production. The many industrial and commercial establishments in the city engaged in production and handling of luxuries and non-necessities would have to convert to production and distribution of daily necessities required by the workers and peasants.

Naturally such changes cannot be accomplished overnight. Neither can they come about painlessly nor without overcoming the resistance of those who had a vested interest in the old order. As we have seen, liberation was immediately followed by a short pediod of stability, then, as the city's hoarders and speculators, confident that things would never change, began to stock up while prices were stable, we experienced the first of several price jumps. Of course, all the price hikes were not the result of local speculators' activities. The disruptive actions of KMT special agents, the KMT blockade and air raids, plus continued government note issue, were also important factors.

Deflation Period Hurts

However, one by one these problems have ceased to exist until today we have reached the end of an inflation which began with the Sino-Japanese War. We are now experiencing the inevitable and unpleasant deflation, although it is already possible to see the end of this period and the day when stability will again become a normal condition is not far off.

Conversion of industry and commerce is well under way. The preliminaries for land reform—reduction of rents—is already commencing in this area and the purchasing power of the rural population will increase substantially within another season.

This present "interim period" is one of changing over, of preparation for the future and cannot, as is so often the case, be justifiably viewed as a depression in the normal sense. For instance, when one sees the largest department stores in the city—Wing On, Sincere, Sun Sun and Sun—selling Chinese native products suitable for workers and ordinary

The Road for Private Capital

From north China, where industrial and commercial rehabilitation have progressed considerably more than in Shanghai, there have recently come a number of reports describing the new road along which private enterprise can develop. Once private businessmen have made the neccessary adjustments in order to fit their activities into the new scheme of things, their difficulties are on the way to solution.

* * *

DURING the past two months a number of changes have taken place in the country's economy. Briefly, they may be summed up in the following points:

1) Because of increased collection of taxes, sale of Victory Bonds, and the centralization of all government finance, state expenditures and receipts have steadily moved toward a balance.

2) Generally, the state economic organs have overfulfilled their target quotas for the first season of 1950.

3) The famine has been basically overcome. What's more, agricultural production has been restored more quickly than was at first believed possible. Reports from various sections of the country tell of bumper spring crops.

4) The signing of the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance and the economic agreements between the two countries has improved China's position internationally and has improved the prospects for quickening internal modernization.

However, despite these favorable signs the past few months have been one of considerable hardship for many of the nation's industrial and commercial firms.

Some of the problems confronting business, such as the slow market, are the inevitable after-effects of inflation. With currency stabilization, the public no longer is forced to rush into the commodity markets. With the end of inflation, speculation and hoarding have become unprofitable.

The shortage of capital—another problem—is largely the result of two factors. First, a number of firms sent capital abroad prior to the liberation. Second, many firms were financially unsound in the past, operating on capital borrowed at usurious rates.

The way is now open for private businessmen to get out of their current difficulties—in fact, many are already doing so—by embarking upon a new road. Those firms desiring to continue profitable operations must change their lines of business, they must commence producing and dealing in commodities beneficial and useful to the people.

Private manufacturers and traders in Chahar, for instance, have already begun to turn toward serving the masses in the rural villages. Thus the number of commercial and industrial establishments in the province increased last year by 32.5 percent.

Land reform is being rapidly carried out in the countryside and increased purchasing power of the peasants is almost beyond belief. In the Northeast, for example, where land reform has already been carried out, there is a great scarcity of goods such as cloth.

In 1949, some 630,000 bolts of cloth were sold. This April the government trading companies provided 800,000 bolts and this did not satisfy the demand. As a result of this huge rural market, the factories in the Northeast are humming, making for heightened industrial prosperity.

Private industry and commerce has a profitable future ahead. Demand is certain to outstrip supply for many years to come. The government has been and is providing the necessary climate for private business during the period of New Democracy. It is now up to private capital to change its direction.

people, this is a healthy sign and not an indication of bad times. Rather, the past practice of these stores when they sold largely imported articles such as cosmetics, nylon stockings, plastic gadgets, and Shanghai-made imitations of such goods, was a sign of an unhealthy economy.

If we still have doubts as to what lies ahead, we can gain a glimpse into the future by observing developments in Tientsin, a city not incomparable with Shanghai in many respects. It was formerly a treaty port, a haven for capital fleeing from the countryside and a major port, although it is better located for industry and has and probably will continue to recover more quickly than Shanghai. All the same, many comparisons can be drawn between the cities.

In Tientsin business came to an almost complete standstill shortly after the city was liberated. The situation at the time appeared to be quite serious, stores and factories were closing rapidly, while unemployment was mounting. By the end of 1949, out of the city's 32,305 stores, 1,255 had closed. However, during this same period there were 6,120 new stores opened. The most significant fact to be gained from these figures is that the majority of those closing were dealers in imported consumer goods, native banks dependent upon bureaucratic capital, dealers in superstitious articles (incense, joss paper, etc.), foreign-style clothing stores, silver and gold ornament shops and the like. The new shops were mainly engaged in such lines as sale of hardware, iron and wood, food, coal, salt and so on.

One further point which should be noted about these figures is that they are based on business licenses and thus do not give an exact picture of actual closures and opening. Many of the shops listed as closed, simply changed to another line of business, turning in one business license and taking out another. Thus, it can be seen that not all of the 1,255 listed as closed were complete business failures. Probably only a relatively small number actually went into bankruptcy and closed for good.

Three Points

It is now possible to analyze to some extent the methods and measures which the new government has taken and is taking to help Shanghai turn over a new leaf and get on its feet. It seems to me that the most important immediate objectives of the new government can be summed up in three points. 1) Liberation of Taiwan, 2) Extension of relief work in the flooded areas, 3) Ending currency inflation.

The first point needs no explanation. The nation is now bending all efforts to this end which, when completed, will end the bombing by Chiang's made in the US planes, break the blockade and enable us to rehabilitate our foreign trade.

The second is to be accomplished through a nation-wide "produce more" movement. New China's agricultural plan for 1950 calls for the increase of grain production by 10,080,000,000 *catties* (about 5,000,000 tons and cotton output by 4,700,000 piculs (about 235,000 tons). In order to attain this goal, investments in river conservancy projects top all other investments in the state-operated enterprises.

It is now clear that the government has ceased to depend upon currency issue as a means of securing state revenue. Gradually, the government was able to slow down the quantity and rate of issuance until all issue was stopped. Now, it is revealed, a portion of the currency has even been recalled. Both tax collections and bond sales have helped in accomplishing this feat. According to the *Giefang Rhbao (Liberation Daily)* of April 11, up to the end of March the

Yellow River: from W

One of the most urgent problems facing China's new government has been flood prevention. An age-old threat, floods have become increasingly frequent and of greater intensity in recent years because of the KMT policy of neglect. The past winter season has seen tremendous undertakings along the country's two main waterways, the Yangtze and Yellow rivers, as well as in areas drained by lesser streams. In Peking last week Water Conservancy Minister Fu Tso-yi, launched a nation-wide spring campaign of vigilance aimed at minimizing flood damage this year. Looking into the future, Fu stated: "At present we fear water, but in the future we shall like it... We are now diverting water into the sea as much as possible, but in the future we shall count water as a valuable resource, reserving it, controlling it and not allowing even a drop to be wasted." The following NCNA story from Peking, telling of the work of the government and the people along the Yellow River, is typical of the many accounts of flood control work currently in progress throughout the country.

* * *

WHEN the peasants, workers and technicians held the Yellow River in its course last year, China turned a new page in its history. It was a triumph of government policy and organization—for last year the Yellow River reached its highest recorded water level and all the natural conditions existed for the inundation of great areas of farmland. Now the million peasants who defeated the river last year are carrying out the 1950 stage of one of the most comprehensive projects of flood prevention and irrigation ever envisaged. It will, in the end bring the Yellow River completely under the domination of men and use its muddy waters to enrich the Chinese people.

They are carting stones and other material, planting hundreds of thousands of willows, throwing up great earthworks to raise the 1,000 kilometers of dikes one and a half meters above the highest water level of last year.

This year's scheme involves work in five provinces; strengthening dikes, planting trees, constructing reinforced concrete sluice gates and cutting big canals using in all more than 13,000,000 cubic meters of earthworks.

The Shantung peasants have already completed the first stage of their earthworks many days ahead of schedule. In Suiyuan province, 30,000 men of the People's Liberation Army are raising about 500 kilometers of dikes one meter above high water level, under the guidance of a working corps of experts and engineers. The work in this region involves combining the numerous small canals on the Yellow River which have caused floods in the past into four main canals, and constructing four concrete gates to regulate the four main canals and turn 2,500,000 acres into high yielding wheat fields.

While all this is going on, long-term plans are on the drawing board. Water conservancy specialists and geologists have been sent to the mountain gorges to survey for reservoir sites and draw up plans for more far-reaching schemes. One of these is to lead the waters of the Yellow River 60 kilometers northward to Sinhsiang country in Pingyuan province and thus irrigate 60,000 acres of land. This same plan will take enough water into the Wei River to permit the use of water transport from Sinhsiang to Tientsin. Great schemes of tree planting and crop rotation to conserve the water, prevent soil erosion and maintain fertility will be carried out in the river's middle reaches.

The peasants who are working on these schemes in government pay are those who, also led by the government, turned out in village after village last year and fought pitched battles with the river as it threatened to break its banks at innumerable points. A young peasant, Tai Lin Teh, found a new gap in the main dike at a critical point. Taking off his quilted cotton clothes he thrust them into the hole and held back the water until the pressure of the flood widened the gap. Then he plunged into it himself and others pushed on behind to seal the gap.

For thousands of years, the Yellow River has brought tragedy and devastation to unrecorded millions. It is the seventh longest river in the world and runs through nine provinces. Its catchment area is covered with fine, fragile loess soil to a depth of 50 meters, deposit of soil wind blown from Siberia some 15,000 years ago.

Enormous quantites of loess soil have been brought down from the mountain gorges along the Shensi-Shansi border and the Wei River system in Shensi province and deposited in the river bed, resulting in a gradual reduction of the fertility of the silting up of the lower course. It has been estimated that during the rainy season between July and October, the silt content of the river almost reaches one-half in weight and the river becomes a flow of muddy paste.

The annual silt runoff amounts to 1,900,000,000 tons—enough to erect a wall one meter in width and height

city had collected JMP600,000,000,000 through taxation and JMP610,000,000,000 from sale of Victory Bonds.

Since inauguration of the new system of "centralization of finance and economics," the currency has become even more stable. Bank deposits have increased greatly. Interest rates, for the first time in years, are now computed on a monthly basis rather than on a daily basis. The past psychology of "goods better than currency" has disappeared.

Under the new financial and economic plans for 1950, the taxation policy has also undergone a total revision. In the past urban taxes, such as the business and income taxes, were insignificant. The burden of taxation rested on the small farmers who were forced to pay their levies in grain. The new tax policy places due emphasis upon both urban and rural districts.

In February this year a revision of last December's budget estimate was made. It is now expected that this year's state revenue will be made up in the following manner: City tax receipts 41.1 percent, agricultural receipts 37.2 percent, revenue from state-operated enterprises 17.9 percent, with the remainder being made up from various miscellaneous sources.

Differs from KMT Days

The significance of this budget can only be fully appreciated when one compares it with the "system" prevailing under the KMT. In the old days, the printing press was the main source of revenue. Of the taxes actually levied, only 30 percent actually reached the treasury, with 30 percent being squeezed by officialdom and the remaining 40 percent being evaded.

Under the leadership of the new government, China will shortly embark upon an ever-expanding program of economic rehabilitation and reconstruction. Already much is being done—witness the huge flood control campaign of this past winter and spring—but the constructive work done so far is just a very small beginning. For the first time in 30 years the country stands on the threshold of peace.

With the liberation of Taiwan, which will come in a matter of months, foreign trade should open up greatly. Following the collection of this year's autumn harvest (the spring harvest is reported good in nearly all parts of the country) the purchasing power of China's peasants will be greater than ever before. For the first time the profits of the harvest, instead of being drained off by a small class of landlords and invested in gold bars or other unproductive articles, will be retained in the hands of a peasantry direly in need of clothing, farm implements and a host of things.

In addition, the government is already beginning to place sizable orders with both public and private factories for various kinds of goods and equipment. Once reconstruction gets under way the country's factories will never be able to supply the increasing demand. In Tientsin, for example a simple order for some 20,000 water carts placed recently by the Department of Agriculture taxed the city's iron and steel works and machine shops.

It seems to me that our present economic difficulties, which are already beginning to clear up a little, are of a very temporary nature and are actually an inevitable by-product of our victory. Those who cherish any illusion about the past, hoping once again to enjoy their unreasonable privileges or to engage in their old easy life of speculation and racketeering, will only be disappointed. However, for those willing to make changes and get in step with the people the future is bright.

— C. Y. W. MENG

m Wrecker to Builder

32 times round the equator. This silt has raised the river bed by an average of four meters above the adjacent land, and has become a watershed dividing line built by the ages long toil of the silt laden river itself on the great alluvial plain.

Moreover, the dikes themselves are built of sandy loam, for stone is scarce in the basin, and the fine silt of the river bed is very unstable, permitting the main current to swing and change its course and attack the dikes at unpredictable points. It has breached its dikes more than 1,000 times in recorded history and changed its course seven times causing untold suffering every time. Its outlet once reached Peking in the north and the Yangtze in the south, more than 600 kilometers apart.

The corruption and rottenness of the Kuomintang officials worsened the situation. They made almost no dike repairs and flood prevention work although they were energetic enough in demanding more and more funds for that purpose. They always fled at the very beginning of the flood menace, leaving millions at its mercy. The 15 floods within 11 years of Kuomintang rule over the region (from 1927 to 1938), broke all previous records under the feudal empire and the warlords.

Flood devastation reached a most serious point in 1938 when the Kuomintang broke the dikes at Hwayuankow in Honan province, turning the river southward to stem the Japanese advance and save their own troops in order to attack the people's army. They inundated 25,000 square kilometers in East Honan, North Anhwei and North Kiangsu provinces, and made 6,000,000 inhabitants homeless.

Immediately after the Japanese surrender in 1946, the Kuomintang prepared another inhuman scheme. A great part of the area along the old lower course of the river was then under the control of the people's forces, so, with the backing up of UNRRA, the Kuomintang sealed the Hwayuankow gap in March 1947 and turned the river back to its old course, thereby flooding the liberated areas in East and North China.

Under the Kuomintang guns, bombing and strafing, the people's government organized the local peasants to rush repairs on the dikes which had either crumbled away or been torn up during the eight years of Japanese occupation. At critical points the stones had been moved away by the Japanese to build fortifications, the willows along the banks had been felled and the dikes slashed with defense works. Activity ran high on the dikes and peasants in other parts of the liberated areas came to help, but the Kuomintang bombed the repaired sections during the high water season in 1947, and their troops attacked the peasants while they were working. The peasants took up their spades and guns against their two enemies—the Yellow River and the Kuomintang, and defeated them both.

Forty-five million man-days and 20,000,000 cubic meters of earth were spent on the dikes even under those difficult conditions; and in 1948, the 1,000 kilometers of Yellow River dikes were strengthened and rebuilt one meter above the highest water level of 1937, holding back the towering Yellow flood for the first time in many, many years.

The Yellow River has its amiable aspects too. Five hundred and fifty kilometers along its middle course in Ninghsia and Suiyuan provinces lies China's biggest irrigation area where the river makes a large semicircular loop. The whole region is a flat plain covered with loess soil in which irrigation is led by gravity through canals dug by the peasants several hundred years ago.

In Ninghsia province, there are at least 1,000,000 irrigable acres or 80 percent of the total arable land of the province, but many of the canals were allowed to silt up at the very source and the existing irrigated land is less than one half of the possible total.

Suiyuan province exceeds all other provinces in irrigation. More than 80 percent of its population are farmers and every county has adequate canal systems and two crops are harvested in a single year. The rain of the upper Yellow River falls so conveniently that it ensures abundant water supply for the lower region year in and year out, though not a single drop of rain may fall there. The many canals, built by individual peasants are still too few to irrigate the whole 2,500,000 acres of irrigable land and, owing to lack of adequate sluice gates, the canals have time and again caused floods in recent years.

As soon as the Yellow River came wholly under the control of the people's government last year, a Yellow River Conservancy Committee was formed in Kaifeng, Honan province, to unify the work of taming this wanton giant.

The prevention of flood last year and the present work on the river are the result.

As the present scheme unfolds and still more comprehensive plans follow behind it, the Yellow River will cease to be the sorrow of the country and instead will become one of its most precious possessions.

Flood Control in North China

Thousands of paid, volunteer workers are employed on two major projects designed to protect the land from devastating floods and to ensure bigger crops.

THE Yung Ting Ho, which flows beneath the historic Marco Polo bridge and into the upper reaches of the Grand Canal, has always been North China's most troublesome river. Its flood discharge is 5,000 cubic meters a second, or five times greater than its threshold volume, while the capacity of the Grand Canal is only 400 meters per second. Because of this, the river has the devastating habit of overflowing its banks each rainy season.

More than 200 years ago dikes were built to contain the river's floods, and the surging waters were allowed to spread out, forming a delta west of Tientsin. But with the passing of the years even this palliation lost its effect as silt built up to heights of 20 to 25 feet and the floods began covering wider and wider areas.

Some 20 years ago the Chihli River Commission formulated plans to divert the floods into two new regions, one on either side of the original, silted up delta. But adequate funds and sufficient labor power could never be amassed to implement these elaborate plans. Moreover, the villagers in the proposed new delta regions strongly opposed the flooding of their homes and farms.

Railway Threatened

So the delta continued to build itself up until 1939, the great flood year, when the waters of the Yung Ting Ho breached their northern dikes and inundated about 400 square miles of farmland and village. At the same time, a new delta formed itself to the north, seriously threatening the Peking-Mukden Railway line.

Although the governing authorities during both the Japanese and Kuomintang occupations made occasional moves to control the floods, nothing effective was done during the succeeding 10 years.

This year, the Yung Ting Ho new delta project is one of six being undertaken in North China by the people's government. The project consists of building a 26 mile protection dike for the Peking-Mukden Railway line and another "limiting" dike to contain the flood waters within a defined area. The total project involves excavation of 2,200,000 cubic meters of earth.

A second major flood control project underway this year in North China is the construction of a new outlet for the flood waters of the Chao Pai river.

In 1939, the Chao Pai Ho altered its course near Suchang and began flowing into the Chien Kan Ho, a small drainage canal east of Peking, with the result that the surrounding area experienced frequent floods. This year, 6,000,000 *mow* of land were flooded (about 1,000,000 acres), and 1,000,000 *mow* were still under water at the time of writing. The new outlet will drain off the flood waters quickly enough so that one crop of wheat may be raised on lands formerly inundated the year round.

Literally thousands of workers are employed on these two projects. Twenty thousand people are at work on the Yung Ting Ho project alone, another 45,000 on the Chao Pai Ho channel.

Six thousand of the Yung Ting Ho workers are People's Liberation Army soldiers who are excavating earth for the railway protection dike. At work on the limiting dike are 14,000 "farmer-workers."

All the workers are paid two and one-fourth catties of millet for each meter of earth they dig, haul, dump and tamp or roll. The soldiers' work is limited to six hours a day in order to fully preserve PLA strength. The farmer-workers, eager to make more money, work an eight hour day and average three to four cubic meters of earth a day as compared to two and one-half for the PLA.

Two Characters a Day

A unique feature of the PLA workers is the educational program that accompanies them on the job. Each soldier tries to learn two characters a day. His assigned characters are chalked onto a wooden stick which is stuck into his forward basket of dirt. Thus, the day's lesson is always before him as he works. During the 10 minutes rest period after each hour of work there is *hsueh hsi* (literally, study to learn).

The bulletin boards are pieces of cloth stretched between two poles and planted anywhere on the field. There the soldiers post their literary efforts, songs, poems, cartoons and stories of their work and progress. In addition each group puts out its own "mosquito" newspaper.

Here, as at the Chao Pai Ho project, the soldiers have formed singing and theatrical groups for their own entertainment and for that of the farmer-workers, who are less well organized.

The digging at the Chao Pai Ho project is largely under water; therefore, the work is slower and more arduous. Here, 11,000 PLA soldiers, 30,000 farmers and 4,000 prisoners make up the labor corps. All are paid the same wages—two and one-half catties of millet per cubic meter of earth moved. The soldiers, however, net the least, for, in addition to their limited hours of work, they give 20 percent of their wages back to the government, 20 percent to the PLA, and 20 percent into a fund for bettering the food for the army as a whole, leaving only 40 percent to cover food and incidentals. The farmers, because they must leave money to provide for their families, are advanced 20 percent of what it is estimated their total wages will be. A few ran away with the advance, but most realize that they are draining and protecting their own land from flood (everyone owns the land he tills now), and their working efficiency is therefore the highest of all three groups.

A few prisoners have also taken to the hills, for they are not constrained in any way. The vast majority, however, are more than willing to stay on the job once they find they are not being punished for past crimes but are being given a chance to reform themselves through labor, earn an honest living, and learn a few characters at the same time.

The main problem among the workers is that of the farmers, whose farms must be cultivated while they work. The solution has been found in cooperative farming, and enough men are left in the villages to take turns tilling one another's land.

Health Program

The health of all workers is guarded by trained medical personnel, who look after such matters as combatting insects, purifying drinking water and disposing of sewage. There is little sickness and few accidents on the field. Public health education goes hand in hand with field health work.

The medical workers have found that the nutritional status of the farmer - workers is the lowest, although their zeal spurs them to the highest output. Under - nutrition in this group is readily understandable, for these are the men who in the past often had to subsist on husks after losing their crops to the relentless floods.

The working bases for these flood control projects are contracts entered into by the North China Conservancy Bureau and the People's Liberation Army of farmers' organizations. The overall plan is the Bureau's, and the excavation work project the responsibility of the PLA or village organization. There is a mutual guaranteee to finish the earthwork within a certain time limit. If either contracting party should default, both will meet to discuss remedial measures.

How different the new contracts between government and army from old pre-liberation contracts, when each party was working against the other, employer seeking to penalize job-contractor and so on down the line until it reached the bottom, where the worker finally bore the burden of the exploitation. What a change from the old Japanese and KMT days when underlings were paid so much a head for rounding up laborers!

Now the volunteer workers organize themselves into teams, discuss their work, and compete among groups for the "red banner." On conservancy works in China today, employer and employee are cooperating toward a common end—the interest of the people.

— BETTY C. CHANG

CHINA AFFAIRS

SHANGHAI

Blockade Unhinged

THE liberation of the Choushan islands was received in Shanghai with great rejoicing. Aside from lopping off one of the wings supporting the KMT in Taiwan the naval blockade of this major China port is to all intents and purposes ended. According to the local *Wen Wei Pao*, while the KMT might still try to carry on its futile and frantic policy of bombing and blockading Shanghai from Taiwan their strength is now reduced to its bare minimum. "The war against the Kuomintang blockade and bombing has been won,' this paper said.

Meanwhile, a message was sent jointly by the East China Military and Administrative Committee and the East China Bureau of the Central Executive Committee of the Communist Party to the 3rd Field Army Headquarters, its political branch and to the commanders of the various units on the Choushan front. The messages said: "Following the successful liberation of Hainan island by the 4th Field Army, you have with one blow liberated Shenchiamen, Lingkangchen, the county seat of Tinghai and the surrounding islands. . . . This means the elimination of the forward base of the American imperialists and Chiang Kai-shek, from which their sea blockade and bombings were carried out against us. Your victory has also created favorable conditions for the coming liberation of Taiwan and the crushing of the remnant forces of Chiang Kai-shek once and for all. We hope that you will be unremitting in your glorious work and we wish you the earliest conclusion of your campaign."

Business Looks Up

FOLLOWING the liberation of Choushan, a revival of Shanghai's trade with coastal ports as well as the outside world was immediately foreseen by industrial and commercial leaders in the city. The press devoted considerable space to comments on business prospects, messages of congratulation, and widespread expressions of jubilation as Shanghai's reaction to the capture of the erstwhile KMT naval and air base.

"The shipping industry now has two major tasks to tackle following the liberation of the Choushan islands," according to a shipping leader quoted in an interview by the *Giefang Rhbao*. "The first is an immediate resumption of coastal shipping with north China, which thus would be linked with the Yangtze so as to send a steady stream of supplies to north, east and central China cities." For his second point, the shipping executive indicated the major task of "immediately restoring shipping with the outside world," principally with the South Seas areas encompassing Malaya, the East Indies and Hongkong. Chinese shipping in south China and Hongkong could be coordinated and utilized for the "economic reconstruction of new China."

Simultaneously, the official *Giefang Rhbao* held high hopes for international trade circles, which until now, it said, have been losing foreign exchange in transshipping imports and exports through Tientsin, Tsingtao and Kowloon. "With the liberation of the whole country not far off international trade can map out an overall program as to how much exports it would be capable of handling, how much shipping it would require, and how to prepare Shanghai as a warehouse for the immediate hinterland." Regarding imports, the paper pointed out that international traders could prepare for foreign cargoes required in China for "economic reconstruction as embodied in a new democracy."

The *Giefang Rhbao* also quoted a representative of the silk industry as being optimistic over trade prospects. In normal times 60 percent of the production of silk piecegoods in Shanghai were for export. Similarly, in the field of woolen piecegoods, factory executives here saw the revival of business with Fukien and south Chekiang province. Other industrial comments touched upon the fact that the reopening of the port of Shanghai is of great importance with regard to the restoration of sea communications with the Northeast. A machine works factory manager spoke of lower production costs to be derived from the shipping of iron, coal and coke to this city from that area via water.

* * *

A LARGER supply of fish was in store for Shanghai as a result of the liberation of the Choushan islands. The city's supply was expected to be increased by several hundred percent over what has recently been arriving in the markets. Prior to the war, fish from the Choushan island region made up about 60 percent of the local fish supply.

Meanwhile, preparations for the resumption of trade with north China were immediately started by the China Merchants Steam Navigation Company, following the liberation of Choushan. As a preliminary step, the company investigated the number of craft in north China ports of both public and private agencies.

CMSN branches in the north China ports of Tientsin, Tsingtao, Chefoo and Lienyungkong have been instructed to check up and reply on commodity transportation facilities in these respective cities. Other shipping companies also have begun preparations for the resumption of operations on the Shanghai-Ningpo and Shanghai-Wenchow runs.

Back to Normal

THE local textile manufacturing industry, following serious damage by the KMT air raid of February 6, is rapidly returning to normal, according to reports emanating from industrial circles. According to estimates of the Shanghai Cotton, Cotton Yarn and Cotton Cloth Corporation, production activity in the city's 54 textile manufacturing plants is now about 80 percent of that before the February 6 air raid.

Figures revealed that during the week before the raid there were 1,108,899 spindles in operation. During the last week of April the number of spindles operated was set at 957,218. During the week preceding the raid a total of 782,472 packages of cotton yarn and 48,079 bales of cotton cloth were produced. The output for the last week of April showed that 592,034 packages of cotton yarn and 33,879 bales of cotton cloth were turned out.

According to textile sources, the rapid return to normalcy is partly attributed to the efforts of this government corporation in helping the various production activities of the city's textile plants.

Following the liberation of the Choushan islands the Shanghai "Ta Kung Pao" asked "bandit Chiang," clinging to Taiwan, "Where will you run to next?"

Helping Unemployed

MORE than JMP500,000,000,000 has been raised for Shanghai's unemployed workers. Of the funds raised, two-fifths have been assigned by the Unemployed Relief Association for immediate disposal.

Among the chief contributors in the city were the city government, the Printers' union, the Tobacco Factory Workers' union and the East China Bureau. In addition to immediate relief, the authorities concerned were planning to set up various centers where unemployed workers can be engaged on production works. In the meantime, the registration of jobless workers continued.

In the Northeast, it was revealed by telegram from the area's General Labor Union that the whole body of commanding officers of the PLA in the Northeast Military Zone had saved up 200,000 catties of rice from their food supplies for helping unemployed workers in Shanghai.

The Week's Business

Liberation of the Choushan Islands gave Shanghai's economy a boost as shipping lines, import-export firms hastily prepared for resumption and expansion of business. Meanwhile, local commodity markets remained stable to weak as intensified activities of state trading corporations reduced even further the differential between retail and wholesale prices.

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THE news of the liberation of the Choushan Archipelago was particularly greeted with enthusiasm by local industrial plants, including chemical factories, rubber goods plants, cotton mills and others. They are already making preparations to import raw materials directly from Hongkong. Such large mills as the Sung Sing, Wing On and others all have cotton stocked in the Colony. Local rubber goods factories, including the Ta Chung Hua and Cheng Tai, have intensified their plans for purchasing raw materials from the South Seas isles. Local towel and underwear manufacturers have also envisaged plans to send their products once more to the South Seas market, and a barter plan is being considered with the Dutch East Indies and Malaya which have imposed restrictions on foreign exchange.

Local exporters, in anticipation of the resumption of direct shipping services, have also been making inquiries about quotations in Hongkong, and the export trade is showing signs of reviving. The exporters have taken steps to organize a joint organ for pooling their resources, improving quality of export tea and promoting the international markets. However, it has to be taken into consideration that following the prolonged suspension of business because of the coastal blockade, local importers and exporters are short of capital, and the recovery of their business will take some time.

In concert with developments in the trade situation, the dull shipping front is also gradually becoming active. Direct shipping between Shanghai and Ningpo is expected to be resumed before the end of May, while plans have also been drawn up for the resumption of shipping services between Shanghai and north China ports, including Tsingtao, Tientsin, Port Arthur, Dairen and Chinwangtao.

In the commodity markets of Shanghai during the week under review, prices remained stable, and the parity unit rate came down slightly from JMP5,362 to JMP5,353. The various state trading corporations in Shanghai have lately expanded their retail business, and these organs now have 88 retail offices and 176 sales agents throughout the city.

Through these expansions, the state trading organs have succeeded in narrowing the difference between wholesale and retail prices. The wholesale price of medium grade *paikeng* rice, for instance was JMP240,000 per picul on May 24, when the retail price was JMP245,000 per picul. The difference was less than two percent. This reduction in the margin of difference, while reducing the degree of exploitation by middlemen, has also enabled consumers to obtain cheap rice. For this reason the Shanghai Food Corporation has reported booming business for its retail offices and agents, which can now sell an average of 12,000 piculs of rice daily, or four to five times the volume of wholesale tradings. These sales have also had a decisive influence in bringing down the retail quotations at private rice shops.

The difference between the wholesale and retail prices of edible oil at the China Oils and Fats Corporation was around 2.5 percent. Thus the corporation averages a daily sale of 200 to 300 piculs of edible oil, while the wholesale business is below 100 piculs. According to compilations for other state trading corporations for the first 10 days of May, the volume of retail business at the Sugar and Chemical and Industrial Raw Material Corporations was more than 1.5 times the wholesale business.

Quotations

Following is a listing of representative commodity prices.

	May 17 JMP	May 24 JMP
Parity unit	5,362	5,353
US dollar (TT)	37,000	37,000
20's yarn	5,150,000	5,200,000
42's yarn	7,820,000	7,880,000
12-lb. cloth	250,000	250,000
Rice, 1st grade	255,000	255,000
Battleship flour	72,500	72,500
Peanut oil	422,000	420,000
Coal briquette	19,000	19,000
Kerosene, Kuokwang	103,840	103,840
Koo Pan soap	155,000	155,000

NATIONAL

Battle Against Floods

FOR the first time in its history China is to have a unified national command in the necessary battle against floods. Peking is now the scene of the setting up of a national command to direct the fight against this age-old enemy.

A large-scale anti-flood campaign will be inaugurated in the period just prior to the summer rainy season to insure victory over waters that formerly made millions destitute. Branches of the national anti-flood headquarters will be established in every locality and local people as well as all available PLA men in the rear will be utilized to wage a coordinated battle against China's floods.

The present Peking meeting, held under the auspices of the Ministry of Water Conservancy, is discussing all necessary measures, according to the *NCNA*. Those in attendance are engineers, local bureau chiefs, professors and local leaders.

It is also reported that all main projects for the repair and strengthening of dikes along the major rivers of China were completed for the most part by the end of last month as a result of concerted efforts by the government and people. Reports from different districts predict that the remaining work will be completed by the summer high water season.

Fu Tso-yi, Minister of Water Conservancy, in his opening speech to the Peking conference said that funds allocated for conservancy work made up a considerable portion of the total state expenditure. He revealed that 73 percent of this fund was used on the water conservancy projects mainly directed at flood prevention. Last year's floods brought great losses to the people and to agricultural production, he said. "Therefore the conquest of floods this year is a necessary guarantee for the restoration and development of agricultural production.

"The anti-flood projects for this year are on a gigantic scale—a scale never before seen in the history of China," reported the Water Conservancy Minister. "The allotment by the government of huge sums for water conservancy projects at a time when the economy and finances of the nation are still facing difficulties fully demonstrates the government's deep concern for the needs of the people. As a result of these efforts a solid river defense line against flood has been built up, on the basis of which we may be fully confident of victory over the floods of this year."

Meanwhile, from the Northeast, the *NCNA* reported that hundreds of thousands of peasants are participating in a gigantic water conservancy project which covers a distance of more than 30,000,000 kilometers. This project is twice the size undertaken last year, and 42,700,000 cubic meters of earth will be excavated. The completion of this huge project is expected to contribute immensely to an increase in food production in the Northeast.

Bumper Wheat Crop

FROM Fukien comes the report that the best wheat crop in 20 years has been harvested in that southeast province. Output per hectare was registered at between 975 and 1,125 kilograms in west Fukien and between 1,500 and 1,875 kilograms in the southern and eastern parts of the province.

Throughout the entire province, nearest piece of mainland territory to Taiwan, last year's wheat crop was exceeded by from 20 to 30 percent and particular parts of the province topped last year's figures by as much as 60 percent.

One of central and south China's main crops, barley, is now being harvested in Kwangtung, Kwangsi, Hupeh, and Kiangsi provinces while spring wheat is reported to be almost ready for reaping. These two crops are now well advanced throughout the central and southern provinces owing to moderate spring rainfall and the peasants are reported to be in high spirits. At the same time, local governments are cooperating with the peasants in helping them to reap and store their grain.

Growth of Cooperatives

COOPERATIVES, both consumers and marketing, are playing an increasingly important role in modern China. They form a vital link between the state and individual producers, as well as with the consumer. Thus, after a little more than a year of liberation, an extremely rapid growth of the co-op movement has been recorded in Peking and other cities.

Within a month after the city's liberation a cooperative headquarters was set up in Peking. Today there are 79 cooperative societies attached to the factories and other industrial enterprises, 59 catering to various government institutions, 47 in colleges, and another 44 street cooperatives whose membership is on a residential basis. All these have grown up in about 13 months and the total membership has reached the half million mark.

As the movement grew, the Peking Cooperative Headquarters established a central wholesale cooperative with government assistance to supply numerous units. This central co-op has made regular contracts with state factories and stores for coal, grain, cloth and a variety of local products. The central co-op has grown far beyond the stage where it simply supplies retail organizations. It has built up other vital departments. In the rural districts outside the city, it has developed a network of supply and marketing cooperatives whose total membership has grown from 3,785 in March 1949 to 67,800 in March 1950. Having laid a firm foundation in consumers cooperation, the central co-op is now going in for production cooperatives.

Aside from encouraging agricultural workers outside Peking to take up side occupations and buying products from them, it is turning its attention to a large number of small handicraftsmen. Twenty-nine producers cooperatives have already been started including shoemaking, tailoring, printing, bookbinding, knitwear, and the making of electrical and radio components.

FOREIGN AFFAIRS

China Delegate Accepted

THE first recognition of the Chinese government by an international body took place in Berne, Switzerland when the China delegate to the International Postal Union was authorized to attend the session of the Executive and Liaison Committee.

According to a *New China News Agency* dispatch from Peking, at the Berne meeting of the "session of the Executive and Liaison Committee of the International Postal Union," the Soviet representative proposed that the Kuomintang representative be expelled from the committee as he did not represent China and that a representative of the People's Republic of China be recognized as the legitimate representative of China. The Czechoslovak delegate supported the Soviet motion.

However, the *NCNA* reported, the proposal of the Soviet and Czech delegates was turned down by the committee. Then the Swiss delegates moved that a representative of the Chinese People's Republic be allowed to attend the present session of the committee as the sole authorized representative of China. As a result, the committee decided by secret ballot that "a delegate of the People's Republic of China be allowed to attend the present session of the Executive Committee as the sole authorized representative of China." In compliance with the chairman's motion, the Kuomintang representative was obliged to leave the session, the *NCNA* also reported.

Questions for Britain

A CLARIFICATION of Britain's attitude, in view of her announced intention to recognize the Chinese government, was called for by a spokesman of the Ministry of Foreign Affairs of the Central People's Government this week. Questions were posed concerning the establishment of diplomatic relations with Britain, Britain's relations with the Kuomintang government and its attitude towards the properties and assets of China in Great Britain and its territories were referred to.

The Chinese statement, after reviewing events following Britain's declaration of recognition on January 6 of this year, referred to the arrival of British representative J. B. Hutchison in Peking on March 2 to begin formal negotiations. It was pointed out that during these negotiations, the Central People's Government verbally mentioned that the question which was most important and which must be first settled in preliminary and procedural moves concerning the establishment of diplomatic relations was the relationship between the British government and "the remnant reactionary clique of the Kuomintang."

The Chinese government also considered that the action of the British representative in abstaining from voting on the right of Chinese representation in the UN was highly pertinent to the question of relations between the British government and the Kuomintang. The question of what acutally was the British attitude towards Chinese property in the British empire was also of great importance. Thus, during the course of negotiations with Hutchison, the Chinese government desired that the British would clarify their position regarding these questions.

According to the statement of the Chinese Ministry of Foreign Affairs on May 24, the British on March 17, through Hutchison's verbal reply made some explanations with regard to the Chinese government's questions. However this explanation was deemed unsatisfactory. "In actuality, the British government has, for five months, consistently abstained on the question of the right of Chinese representation in all the subsidiary organizations of the UN; and also, with regard to the planes now at Hongkong, which are directly in the possession and protection of the two airlines, the China National Aviation Corporation and the Central Air Transport Corporation of the Civil Aeronautics Bureau of the Central People's Government of the People's Republic of China, the British authorities at Hongkong not only have obstructed in many ways their flight to China, but have also failed to assume real responsibility in protecting the planes, to an extent that seven of them have met with destruction."

The Chinese government, on May 8, in view of these facts, specifically notified the British and asked them to further clarify their position with regard to the questions of the right of Chinese representation and the rights of Chinese national property and assets.

People's Government Protests

PRIOR to the statement on clarification of Britain's attitude regarding China, on three recent occasions the government's foreign ministry has seen fit to issue strong protests over affairs on the international scene. The subjects of these protests were the Hongkong government's detention of Chinese planes, the continuation of Kuomintang delegates to the UN, and MacArthur's release of Japanese war criminals.

On May 17, Vice-minister of Foreign Affairs Chang Han-fu issued a protest over the May 10 Hongkong government order detaining 70 planes belonging to the Civil Aviation Bureau of the People's Republic of China. The planes were those of the two Chinese air companies, CNAC and CATC, which went over to the government several months ago. The Chinese protest stated that these planes are the property of the Chinese government and that the government "will not tolerate any interference, damage, sabatoge or transference imposed upon the said aircraft by anybody under any pretext." Referring to the British declaration of intention to establish diplomatic relations with China the protest said Britain "would be ex-

Articles of Interest:

12 Years' Inflation Ended

A brief review of China's 12 years of violent currency inflation, the reasons for continued inflation in the months immediately following liberation and the present deflation with stabilization of prices are given in an article, "Currency Deflation and the Overcoming of Obstacles" in the Shanghai Hsin Wen Jih Pao of April 29. Not minimizing the difficulties arising from deflation after a long inflationary period, the author, Hsu Lan, stresses the inevitable but temporary nature of such problems and the necessity of planned currency circulation to overcome them.

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THE only method the Kuomintang authorities employed to meet their ever increasing financial deficits was to issue more *fapi* (the former Chinese National Currency —CNC). In the subsequent spiral of depreciation, the total fapi issue of 4,700,000,000,000 in 1946 was worth US$618,800,000, while by August 1948, when the total issue had reached its peak of 600,000,000,000,000 *fapi*, this vast sum was only worth US$51,800,000. Calculated in terms of wholesale prices, in 11 years, ending August 1948, the value of the *fapi* had depreciated by 8,000,000 times. After the introduction of the Gold Yuan the currency deteriorated even faster, and dropped in value by 160,500,000 times within nine months.

After the liberation of Shanghai the People's Government began to work towards ending inflation, but in order to withdraw the huge sum of Good Yuan notes in circulation, it issued a fairly large amount of people's currency (*Jen Min Piao*—JMP). Further, in planning to restore production the new government had to make huge expenditures, which also inflated the currency and caused price fluctuations. As a result, prices of commodities jumped especially sharply in November 1949.

Exploiting the situation, speculators quickly raised interest rates and the total turnover at the Clearing House increased by nearly 100 percent. As Hsu Lan says: "If this state of things had been allowed to develop, it would not only prolong the life of the old Shanghai . . . but also would retard the progress of economic construction of new democracy."

On November 17, the East China Financial Committee made a statement explaining that one of the chief factors in the fluctuation of commodity prices was the large concentration of idle capital in Shanghai, brought about by increased currency issue essential for purchase of cotton and export materials, repair of railways, construction of vessels and launching of the military offensive. It was further caused by the fact that land reform and rehabilitation of industrial and agricultural production in newly liberated areas had not yet been put into effect.

The government was aware, points out the writer, that the danger arising from currency inflation would affect the entire country and realized that only currency deflation could bring benefit to the people. So on March 3, to bring about austerity and readjustment of revenue on an overall scale, the "Resolution on the Centralization of State Financial and Economic Work" was promulgated.

The enforcement of this resolution would not only cut down expenditures and readjust tax receipts, but would effect the recall of money and strengthen the control of currency. Trade treasuries were set up by the government in large cities and transfer of cash receipts began on March 7. As a result, by March 14 after deducting appropriations the Ministry of Trade had a surplus of JMP19,000,000,000. Payment for Victory Bonds and readjustment of tax receipts also assisted in the recall of money.

The immediate effectiveness of the currency deflation policy is shown in the drop of the index of wholesale prices in Shanghai over the past two months. Idle capital has begun to come in and there has been a marked increase in bank deposits and at the same time interest rates have dropped.

Speculation and the chances of reaping rapid profits have disappeared. Austerity is being practiced and many rural areas are economically destitute causing the consumption of goods to drop off greatly. Under such conditions it is inevitable that certain industrial and commercial establishments should encounter temporary difficulties.

In order to restore and develop business, says the writer, it is necessary to have a sufficient amount of currency in circulation; there must be a re-outflow of money. This, he makes clear, in no way means a re-inflation of currency. "Currency circulation must be organized . . . so as to make the basis of the present outflow of currency the principle of 'guaranteeing the expenditures of the troops and provincial governments and restoring economic investments.'" In conclusion he states that the currency of new democracy has a double character. "The weapon for economic construction of new democracy . . . a tool for the accumulation of capital" which can stave off the blind development of private capital. The well-planned control of cash funds can make "the present re-outflow of currency produce a decisive effect in the ironing out of difficulties."

pected to fully respect the state property of the Central People's Government of the People's Republic of China. The detention of the said state property, however, not only indicates that the British government has not the least respect for the state property of China but is also an expression of a most unfriendly attitude towards the People's Republic of China."

KMT "Delegates"

A FEW days earlier Foreign Minister Chou En-lai had demanded the expulsion of the "so-called delegates" of the KMT from the various UN organizations. Chou sent telegrams to Trygve Lie, General Secretary of the UN; Norris E. Dodd, Director-General of the Food and Agriculture Organization; Dr. Brook Chisholm, Director-General of the World Health Organization; Mr. J. T. Bodget, Director-General of the UN Educational, Scientific and Cultural Organization; and Mr. B. Swoboda, Chief of the Secretariat of the World Meterological Organization.

The telegrams stated that the Chinese government is the sole legal representative of the Chinese people. They also said that the KMT delegates have lost all qualifications to participate in any of these organizations and these illegal delegates must be expelled from the various organs and meetings of these organizations. Foreign Minister Chou also requested replies and asked that the parties concerned be notified.

Meanwhile, Chou En-lai issued a statement protesting the March 7, 1950, directive issued by General MacArthur which provides that all war criminals serving sentences in Japan may be released in advance of the termination of their sentence Chou's statement read in part:

"The Central People's Government holds that this outrageous act of MacArthur, Supreme Commander for the Allied Powers in Japan, in breaking the law and overstepping his authority undermines the agreement reached by the Far Eastern Allies during the Second World War for the setting up of the International Military Tribunal, and the solemn verdict of the International Military Tribunal for the Far East to punish the Japanese war criminals. It also without doubt seriously damages the fundamental right, which the Chinese people won during eight years of bloody war, for the punishment of the Japanese war criminals and the fundamental interests of the Chinese people in preventing the revival of the aggressive forces of Japanese fascism.

"The Central People's Government of the People's Republic of China absolutely and entirely refuses to acknowledge MacArthur's unilateral and arbitrary order for the release of Japanese war criminals in advance. The Central People's Government also solemnly declares that on the US government must fall the full responsibility for immediately retracting and correcting this aet of MacArthur in the breach of law and the overstepping of his authority."

INTERNATIONAL AFFAIRS

WESTERN UNION

The American Plan

IN London the 12 ministers of the Atlantic Pact nations, undisputedly led by America, reached "momentous decisions" which were aimed at peace through coordinated military and economic measures. Although mention was not made in any of the texts issued, there was no doubt that the bypassing of the UN had been intensified and the most likely target of the new measures was the Soviet Union. Some observers saw a tightening of coordination between the 12 powers as another means of entrenching none too steady regimes in such nations as France and Italy.

Following 10 days of conferences in London, the foreign ministers of the 12 Atlantic nations proclaimed their intention of building up a system of defense capable of withstanding any external threat erected against any of them. It was decided to set up an Atlantic "high command," as a matter of urgency. Two days prior to the official statements on the accomplishment of the London talks, America had proposed plans for a super Atlantic union which would cover defense and economics. London reports stated that this fitted "in with US policy to introduce a new sense of urgency into the union of America, Canada and Western Europe for self-protection against the East."

The US plan was reported to have advocated a civilian "superman" for the proposed "super Atlantic union." The choice of the "superman" was to be dictated by the "vital role economics and politics must play in the Atlantic structure and was expected to be an American." The US plan marked the end of old ideas of each power being self-sufficient in the military field. It set forth that each nation would have well-defined responsibilities on which to concentrate as its contribution to the plan.

Reports from conferences preceding the announced decisions of the members reveal that "Dean Acheson played a dominant part" in many discussions. "Very few of the ministers," it was reported, "gave way to the tendency to talk about their own special problems." Apparently the US Secretary of State laid down the law and his colleagues followed.

US Committed All-around

THE agreements arrived at in London were said to commit America militarily as well as financially. The foreign ministers issued two communiques. One told of the decision to set up a permanent "high command" and listed the practical tasks to be accomplished while the second communique decided to create "balanced collective forces." This latter communique was reported to involve a serious sacrifice of national sovereignty. From now on none of the 12 countries concerned will aim at individually equipping itself with every form of defensive armament. It was noted that about the time of the opening of the foreign ministers talks Acheson, at a Pilgrims' Day dinner in London, had forseen the necessity of "certain sacrifices of national sovereignty."

Meanwhile diplomatic circles in London put forward the view that no mere organizational changes in the Atlantic Pact structure could overcome the fundamental problems worrying the European members. The main problem was whether the defense preparations considered necessary will endanger the attempts of individual countries to get on their feet economically before Marshall Plan aid comes to a halt. Immediately following the end of the ministers' conferences, Britain and France called on the European Economic Cooperation to invite the US and Canada to associate themselves with its work as soon as possible. This action was taken as an omen of continued American financial and economic aid to Europe after Marshall money ends in 1952.

European Comment

WHILE official circles were quite satisfied with the new "super" plan, press comment varied. The right wing press approved but felt the plan had not gone far enough, the liberal press concurred but was somewhat unclear, while the left wing press condemned it as a harbinger of war.

In England, the *Daily Telegraph* made a strong plea for the inclusion of Franco Spain in the Atlantic community as an essential for satisfactory defense. The *Manchester Guardian* was of the opinion that "there is evidently a great deal of further negotiation to be done before we begin to know where we are." The *Daily Worker* saw the conferences and their results as "a deliberate prelude to war" and called on all peace-loving people "to check the war maniacs."

In France, reaction to the announcement of the overall Western Union was received with a great deal of doubt. The party paper of Foreign Minister Schuman, *Aube* said: "The decisions announced are of a reassuring nature for the free world and will give hope to those who would have lost it. But, admittedly, we are not yet at that full economic coordination between North America and Europe which Premier Bidault wished for when he launched the idea of an Atlantic high council."

The Socialist *Populaire*, scarcely conceived as a radical paper, said the Soviet Union could not be called an aggressive power and Mr. Acheson's verbal attacks are hard to understand when they come from a power who claims by the invention of a "pocket atomic bomb," capable of destroying entire armored divisions, to have a definite superiority of armaments.

The left-wing paper, *Combat* stated: "At the end of the London conference, Europe is neither richer nor better armed than before. But her obligations are greater. To use another formula—the risks of war are greater, while the means to wage it remain illusory."

A Moscow Radio commentator described the "Big Three" Foreign Ministers' meeting in London, prior to the 12 power conference as "a scheduled step in the preparation of the new war." It was "an official confirmation of the dictates imposed by the US on Western Europe," the commentator said. "The peace-loving declamations of the Western rulers cannot deceive anyone. The preparation of war is the basic content of their home and foreign policy," he added.

Germany's Future

ALTHOUGH no announcement was made regarding the Western Union s ''problem nation"—Germany —it was believed that the three big powers had agreed to make major changes in the status of the West German government next autumn. A substantial relaxation of occupation control in West Germany and the formal end of the state of war were envisioned. Relaxation is expected to come between September and next March.

Other recommenations were: Increased control of foreign policy by the German government—a power reserved for the Allied High Commissioner—and approval for setting up a German foreign office, with diplomatic representation overseas, after September.

The chief Social Democrat opposition to the Allies was said to be that they have erected a vast structure of control for which the Germans have to pay through occupation costs. The Social Democrats also claimed that while the Allies use this structure to restrain German political and economic development, they at the same time expect Germany to pay her way in the world. The party in a recent memorandum called for a final realization of the fact that the ultimate threat to Europe is not Germany.

A Long Stay

MEANWHILE, West German Chancellor Dr. Konrad Adenauer declared that the Allied troops should remain in Germany "until the world is quiet." He also said he did not think war would break out because of present developments in Berlin. A few days earlier, in London, the foreign ministers of America, Britain and France had reiterated their intention to remain in Berlin.

The Politbureau of the East German Unity Party described the decisions of the London conference as "a plot in the face of the German people. This latest conspiracy against Germany means that the imperialist Western powers have agreed to continue with renewed vigor the policy of colonial enslavement of the Germans," a Politbureau statement said. It continued, "By admitting West Germany into the Council of Europe, the US, Britain and France hope to create another willing tool for their war policy."

THE PACIFIC

Commonwealth in Asia

The Sydney meeting of British Commonwealth nations was not on as grand a scale as the Western Union London conferences and America's presence was lacking. However, the influence of the US was felt as the nations met to decide first moves in a "master plan" to bolster south and southeast Asian nations against communism. Admittedly losses in this part of the world for the West made the situation even more grave than across the world. Nobody cared to estimate how long a time might elapse before "master plans" would have to be upped a notch to the status of "super plans."

The Commonwealth drew up the Spender Plan, named after its originator, Australian Minister for External Affairs. Mr. Spender foresaw that in the early stages the level of assistance was undoubtedly beyond the capacity of the Commonwealth. "What we can do is to make a start by formulating plans in accordance with our resources," he said. Getting down to more pertinent facts, Mr. Spender could readily see help from the US which has "already indicated great interest in the question of economic aid for south and southeast Asia." Delegates of each country pledged their assistance—as much as their resources and previous commitments allowed—to a task they all recognize as vital.

"Body and Bones"

ONE of the musts on the list of the nations preparing for campaigns in south and southeast Asia was "the special difficulties arising from the growth of new national movements." A *Sydney Sun* editorial said: "As communism floods down from the north, the work of the southeast Asia conference becomes more and more a race against time. The delegates who meet today can be under no illusion about the urgency of their problems. They were meeting to pool ideas in an effort to put 'body and bones' into the Spender Plan."

Despite reports that Britain was trying to put the brakes on proposals by Australia and other Commonwealth countries which contemplated immediate aid, the British were reported to have "fully realized the urgency of aid for southeast Asia and were as anxious as anyone to make a practical contribution without delay." It was revealed that Britain has spent £750,000,000 in this area since the end of the war.

Britain was said to have the closest interest in assisting the policies of India, Pakistan, and Ceylon as well as Malaya to raise the economic standards of the people. Nevertheless her policy was to take the realistic view that there is no purely short-term solution to the problems of undernourishment and underdevelopment in these territories. In Britain's view the chief purpose of the Sydney conference was to lay practical foundations of a realistic program of economic development in southeast Asia. A Treasury spokesman in London said that the kind of program in mind would be continuous, would start immediately and would gather momentum quickly.

Third Force Again

NEHRU'S India cropped up as the most likely candidate for a third force in Asia. The Indian delegation leader in Sydney, after expressing satisfaction over the conference, informed the conference that India could offer the services of technicians in fields of irrigation, hydro-electricity and textile manufacturing. Indians with very high qualifications would be readily available for service in countries wishing to undertake such projects, he said.

This gesture from a nation waiting for US aid for herself was followed by Australian press comment to the effect that Asian forces would ultimately settle Asian problems and India was suited to fit the bill best. "What I believe it must come to is this: Some leading Asian nation will first have to call a meeting of Asian countries at which neither Europe nor America will be represented. Without necessarily breaking away from the commonwealth, India could preside over such a convention and try to explain Western bona fides as a basis for mixed gatherings of the future. If India does not do this soon, the day will come when China or Japan will take the lead."

This political strategism was the product of the *Melbourne Argus*' pundit on world affairs and made no bones about the West's high hopes for India.

In these two cartoons from the Chinese press, the upper one under the title "Get Out" shows the armed Malayan people rising against British imperialism, while the lower cartoon, captioned "There'll be Another Leak" depicts Acheson pumping up a new "SE Asian Alliance" balloon with a collapsed Chiang K'ai-shek on the ground.

Dovetailing with Dollars

THE end to the Commonwealth conference saw an agreement on the decision to lend the southeast Asian nations £15,000,000 in addition to a £8,000,000 grant for technical assistance. The £15,000,000 fund will be for use in the next 12 or 18 months. Delegates "agreed to dovetail the agreed Commonwealth aid with the dollar assistance already set aside by America," Sydney press reports stated.

A Commonwealth aid bureau was to be set up in Columbo to coordinate the work which should be developed progressively over a period of six years. Each participating country was to make a "realistic and comprehensive" survey of its economic strength and development prospects for submission to the September conference. It was also announced that non-Commonwealth nations of south and southeast Asia were to be told that their "full association" with the aid plan would be welcome.

INDONESIA

Dutch Blamed

IN war-torn Indonesia the authorities attacked the Dutch government for failing to control its East Indian troops in the federal area and claimed the Dutch were responsible for damage to the extent of 200,000,000 guilders in recent local uprisings.

An Indonesian government spokesman charged uncontrolled Dutch forces with taking part in both the recent uprising on Ambon island to set up the unrecognized republic of the south Moluccas and in the revolt led by Captain Westerling in west Java last January. The defense minister, in a published statement, later declared it Holland's responsibility to control men and equipment of its Indonesian forces until their disbandonment and transfer to federal service by July 26, as was agreed last December. A defense official said it was apparent the Dutch had lost control in the Ambon area, where more than 1,400 Indonesian members of the Dutch East Indies' forces are reported to have backed the revolt.

It was learned that the former attorney-general in the East Indonesian State Cabinet, wanted in connection with the earlier Macassar, Celebes uprising, had been flown out aboard a Dutch bomber. The Dutch High Commissioner's office in Jakarta declined to comment on the charges. However, a Dutch military spokesman admitted the ex-attorney-general had departed "as a normal passenger only" as the revolt in Macassar was crumbling.

New Macassar Fighting

DUTCH and Indonesian army chiefs were reported to have flown to investigate clashes in Macassar, the Celebes' main city and scene of last month's revolt by former Indonesian troops of the Dutch army. Dutch sources claimed forces of the Indonesian government had attacked Indonesian troops of the Dutch army. Communications with Macassar were out for a time, but when they were restored an *Aneta* news agency correspondent cabled that more than 10 were killed and 100 civilians injured

in clashes lasting three days beginning from May 15.

In the meantime, the Dutch were served with notice by President Soekarno that West New Guinea, retained by the Dutch after the transfer of power in the East Indies, "must and certainly will" return to the Indonesian fold. The president made this statement during a broadcast to the Indonesian people on the agreement by Indonesian political leaders to abolish local state governments and reform the administration on an unitarian basis.

AUSTRALIA

Splitting Hairs

THE Australian House of Representatives voted down a Labor opposition amendment to Prime Minister Robert Menzies' anti-Communist bill. The House approved a government modification of a disputed clause on the onus of proving allegations of communism. The Labor amendment, proposed by Deputy Opposition leader Evatt, sought to place the onus of proof on the Crown. Following this, the House passed the bill.

Evatt had objected that as the bill stood—making defendents responsible for proving their innocence—bodies accused of sedition would have no chance of satisfying the court that they were innocent. Evatt also did not agree with Menzies that the secrecy of the security service would be endangered by giving declared bodies the rights sought by the opposition. Menzies said that the government would not accept any proposal that would render the security service liable to destruction through the exposure of its methods.

The present bill, which should it become a law, would outlaw the Communist party, confiscate its funds and ban known Communists from government and trade union posts. The government also would be given the right to declare unlawful any union, and the funds of any affiliated bodies if they are "Communist-controlled" and considered dangerous to Australian defense and the constitution.

Following the introduction of the Menzies bill almost a month ago Australian Labor leader Joseph Chifley had condemned the measure as a violation of freedom of expression and "opening the road to totalitarism." However, he stated that Labor would not vote against the bill as a whole because Menzies had won the recent elections on a "ban communism platform." He announced that Labor would seek to restrict the wide powers the bill would give the authorities to enter and search private homes and offices. At the time, Chifley stated that his party would also seek to amend the clause by which anyone would be "declared" a Communist. The bill forced the accused to prove his innocence. The recent action in the House of Representatives has defeated Chifley's plan.

Australia as Pacific Base

THE Soviet Navy newspaper *Red Fleet* has accused the British and the US of making Australia into a military strategic base for any aggressive bloc in the Pacific. According to the paper, "Since the advent to power of the new government headed by the reactionary Menzies, Australian ruling circles have been more active in bringing the country into the orbit of American aggressive policy.

"There have been more frequent visits of American generals and admirals to Australia for the purpose of accelerating the country's militarization," according to the Soviet paper.

PEACE-MISSION

Trygve Lie in Moscow

WHILE the West girded itself for the future, UN Secretary-General Trygve Lie returned from more than a week in Moscow where he conferred with Soviet leaders. While in the Soviet capital the UN leader conferred with Premier Stalin and Foreign Minister Andrei Vyshinsky. Prior to his arrival in Moscow, Lie had confidential discussions with Truman, Attlee and French President Auriol. Prior to leaving Moscow, Lie stated that he did not intend to lift the lid on the contents of his talks either there or on the way back to Lake Success.

Lie claimed that his journey was laying the groundwork from which results were possible within two or three months. He also said he had "no reasons to be dissatisfied" with the "cold war" talks he had with Stalin and other Soviet leaders. In a talk with foreign and Soviet press members Lie stated that his talks were not aimed at producing immediate results but that the UN difficulties must be solved before the next meeting of the General Assembly at Lake Success in September. He stated that he had been received "in a very friendly way and the exchanges of views and ideas have been of a positive kind."

It was revealed that talks centered on the general international situation, Chinese representation in the United Nations, and the "so-called" cold war, according to Lie. He also stated that among other matters discussed were periodic (special) meetings of the Security Council, and the control of atomic energy. The UN head declined to give any details despite reports he was returning with Soviet proposals on a plan for world peace.

LETTERS

(Continued from Page 217)

May this development here bring all warmongers, especially those on the other side of the Pacific, to their senses and cure them of their hysterical illusions of superiority in military strength and in up-to-date arms and ammunition! Let them learn from their failure in their China policy that history will be kind only to those who love peace, truth and fraternity better than their own lives, and that there will be no way out for the disciples of Mars except surrender, even if they venture to start an unjust new war.

By the way, I wish to forecast that Taiwan will follow suit in a very few months, when our fleeing "Generalissimo" is destined to take refuge and be accorded a half-hearted welcome by Truman at the foot of the latter's throne.

MAN IN THE STREET

Shanghai
May 6, 1950

EPIDEMIC CONTROL

To the Editor:

Last winter certain epidemic diseases broke out in southern Honan, but their control did not at first seem a serious problem. However, by mid-December the rapid spread of these diseases to other areas and their simultaneous outbreak in many cities had involved the greater part of the province and created an extremely critical situation.

Around Loyang measles, diphtheria, smallpox, meningitis and acute pneumonia were prevalent, measles and pneumonia being most widespread. In less than 10 days epidemics which broke out in six villages had spread to 29 other villages. At one place, Huangchuan, every child came down with measles. In all, 52 districts in the provinces were affected with a total of over 65,000 cases of the various diseases resulting in more than 5,500 deaths. Children were the commonest victims.

In order to combat this grave situation in January the Honan Provincial Epidemic Prevention Committee was set up jointly by the Honan Provincial Government, the Military Department, Honan University Medical College and the Kaifeng Medical Union. Under this committee 777 local committees were formed with 2,780 members. In addition 1,175 sub-division health teams, consisting of 5,773 persons, were mobilized. The committees and teams carried out education, investigation, collection of information and statistics on epidemic preventive measures.

Further, the Epidemic Prevention Committee mobilized all teachers and students, and doctors and nurses in the various localities to conduct an all-out educational program in rural areas. A total of 195 schools took part in this campaign. In one area 200,000 handbills, posters, booklets and cartoons were distributed to the people; in another area each Saturday was devoted to publicizing epidemic prevention.

In big cities, such as Kaifeng, Chengchow and Loyang, posters and cartoons were shown in the movie houses, and wall newspapers and blackboards in many of the thoroughfares told the public how to stop the spread of the diseases. Every five days the different administrative areas reported their epidemic control work to the Provincial Epidemic Prevention Committee, and in turn, these reports were sent to the various schools and organs taking part in the drive, thus supplying them with publicity material on one hand and boosting the vigilance of the people on the other.

Sub-division teams for treating infected persons staffed by local doctors, nurses and public health personnel were also set up in the most seriously affected areas. Even 276 old-style native doctors joined in this work.

It is estimated that the Provincial Epidemic Prevention teams and the sub-division teams treated around 6,800 patients, almost all of whom have recovered. A total of 131 vaccination stations and 20 inoculation stations were set up. Vaccines for over 500,000 treatments and 16,000 diphtheria inoculations were distributed. In Sinyang alone nearly 5,000 children were inoculated against diphtheria.

By the end of March the epidemics had been fundamentally checked in most places. In areas where cases of these diseases were still occurring medical workers continued the anti-epidemic battle, and will remain until it is completely won.

MARK M. LU

Kaifeng
May 3, 1950

The Review's English Lesson CXXXII

Idioms and Definitions

Agnes Smedley, whose recent death was mourned in China, spent a good part of her life working and fighting for the oppressed millions of China. She used her pen as a powerful weapon in the long struggle, publishing many books that put before foreign readers the cruelty of China's feudal ruling classes and their supporters, foreign imperialists, and the heroism of those who dedicated their lives that China might be free.

From the book "Chinese Destinies," we quote part of the story of a Communist woman worker, who had seen the establishment of the Commune in Canton and its brutal suppression by the reactionary forces. After thousands of workers and students had been butchered, and the regime of the bourgeois and the militarists had been reëstablished.

> **"The new regime then returned also to the ancient system of robbery and taxation of the peasants; it auctioned off to the highest bidders the right of collection of taxes from the peasantry. These bidders would offer millions of dollars to the government for such rights. Then, with their own armed forces, they were turned loose upon the peasants to levy and collect taxes. They paid the government what they were pledged to pay; all surplus they kept for themselves. The new government placed no restrictions upon the extent of this surplus. Like vultures, these private taxation vampires bled the peasants white. All the human rights the Peasant Leagues had won, all the hopes and dreams of the peasants, were crushed by the newly established regime of merchants, politicians and militarists. Like clouds of locusts these settled over Kwangtung and all China.**
>
> **"I have seen the face of the Chinese ruling class; which means I have seen the face of the ruling class of imperialist countries also. For in the re-establishment of the reaction in China they have worked together like the blood brothers that they are. There is no atrocity, no brutality, no crime against human beings of which they are not capable. This class has nothing to offer China—nothing but debased destitution, nothing but slavery, nothing but corruption and final subjection."**

The new regime: regime (政體) means the mode of rule or management, the prevailing governmental or social system. Above, the phrase refers to the rule of the bourgeois and the militarists, who crushed the Commune and re-established the profitable traffic in opium, girl slaves, and the oppression of the peasant and working classes.

It auctioned off: an auction (拍賣) is a public sale to the highest bidder. Thus, the new regime, following the ancient custom, would select from the many local "strong men" the one who offered the highest price for the privilege of robbing the peasants.

Turned loose upon: means to set upon, to let free to attack, as in the sentence, "The dogs were set loose upon the thieves." So in the above passage, these successful bidders for the right of taxation are, by the use of this phrase, likened to fierce dogs permitted to attack a defenseless people.

Levy: to levy taxes (徵稅) is to assess, or estimate, the amount of taxes due to the state. In the strict definition of the word, the meaning of "levy" also includes the collection of the assessed taxes, although, as in the above passage it is common to speak of the levying and collection of taxes.

What they were pledged to pay: a pledge is a promise (約束) to do something, an agreement to carry out some task or duty.

Surplus: (賸餘) is that which remains when use and need is satisfied; excess; overplus. In the above passage, the surplus is what was collected in excess of what had been promised to the government.

Vulture: (兀鷹) a large bird of prey, living chiefly on carrion (dead animals).

Vampire: (大蝙蝠) a large bat, supposed to suck the blood of animals.

Locust: (蝗蟲) ordinarily, any grasshopper; but strictly, a grasshopper of a certain species, which travels in huge swarms and destroys all vegetation in its path.

Ruling class: (政治階級) The class in society which has the power; in capitalist societies, it is the bourgeoisie; in China in 1927 it was made up of the landlord-compradore-bureaucratic capitalist classes.

Re-establishment: (再立) The setting up again. This word can be spelled either with the two dots (diaeresis) over the second "e," or with a hyphen between the two "e's." Occasionally, it is seen spelled simply as "reestablishment."

Reaction: (反動) in politics, a movement toward a former political and social system or tendency; here, "the reaction" means the rule of the militarists, landlords, etc.

Blood brothers: (骨肉弟兄，同胞兄弟) Men who are sons of the same parents; or, men who swear to consider each other as being of such close relationship, often with actual or symbolic mixing of each other's blood.

Debased: (降格的) of lower grade, as in dignity, quality, purity, value.

Destitution: (貧窮) Abject poverty.

Slavery: (奴役) the institution of compelling men and women to work by force, the owner having complete authority over the lives of his slaves.

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